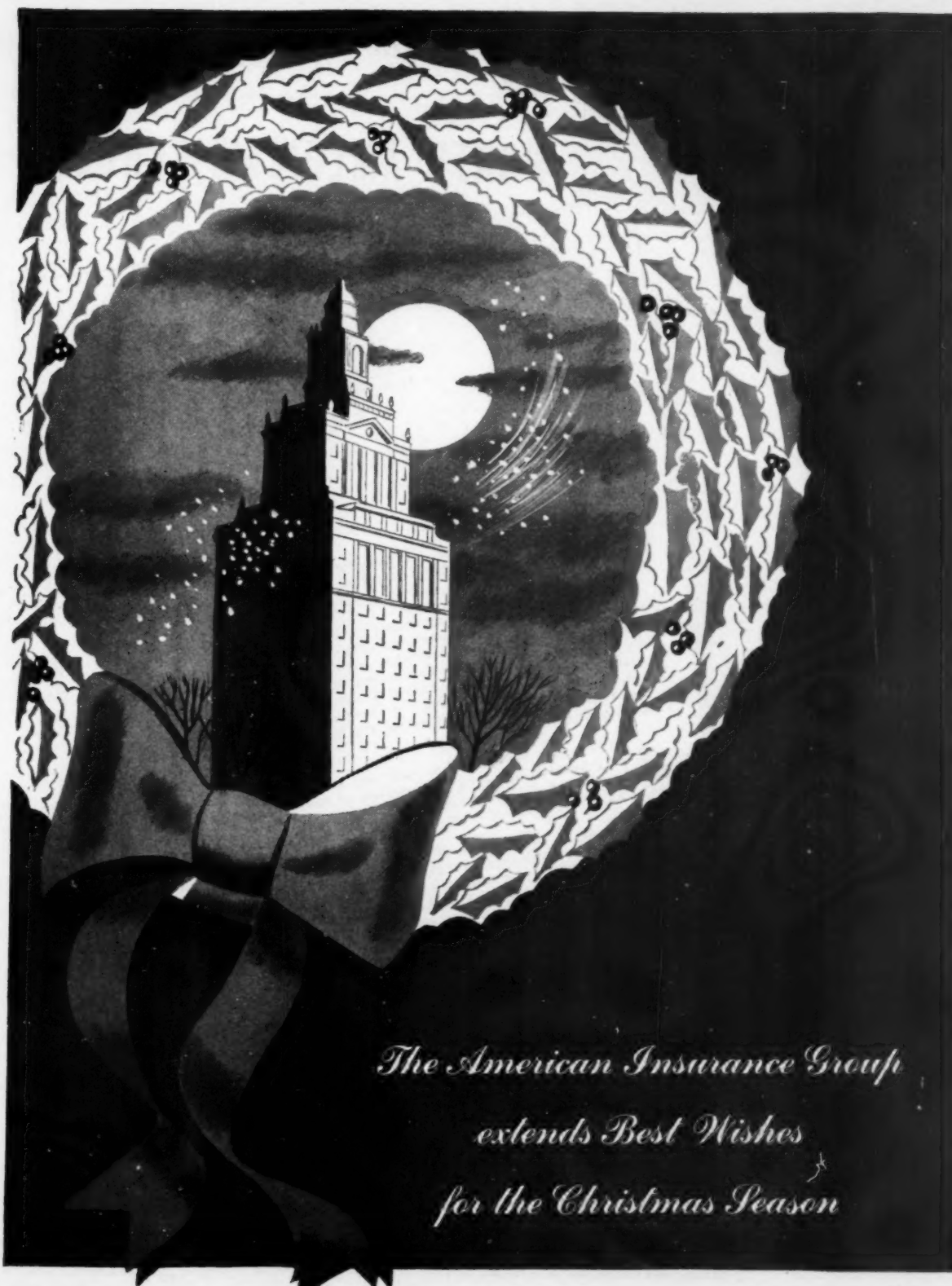
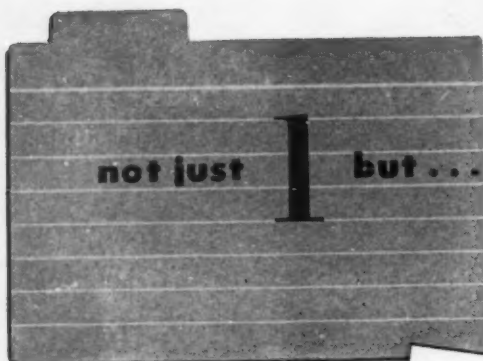


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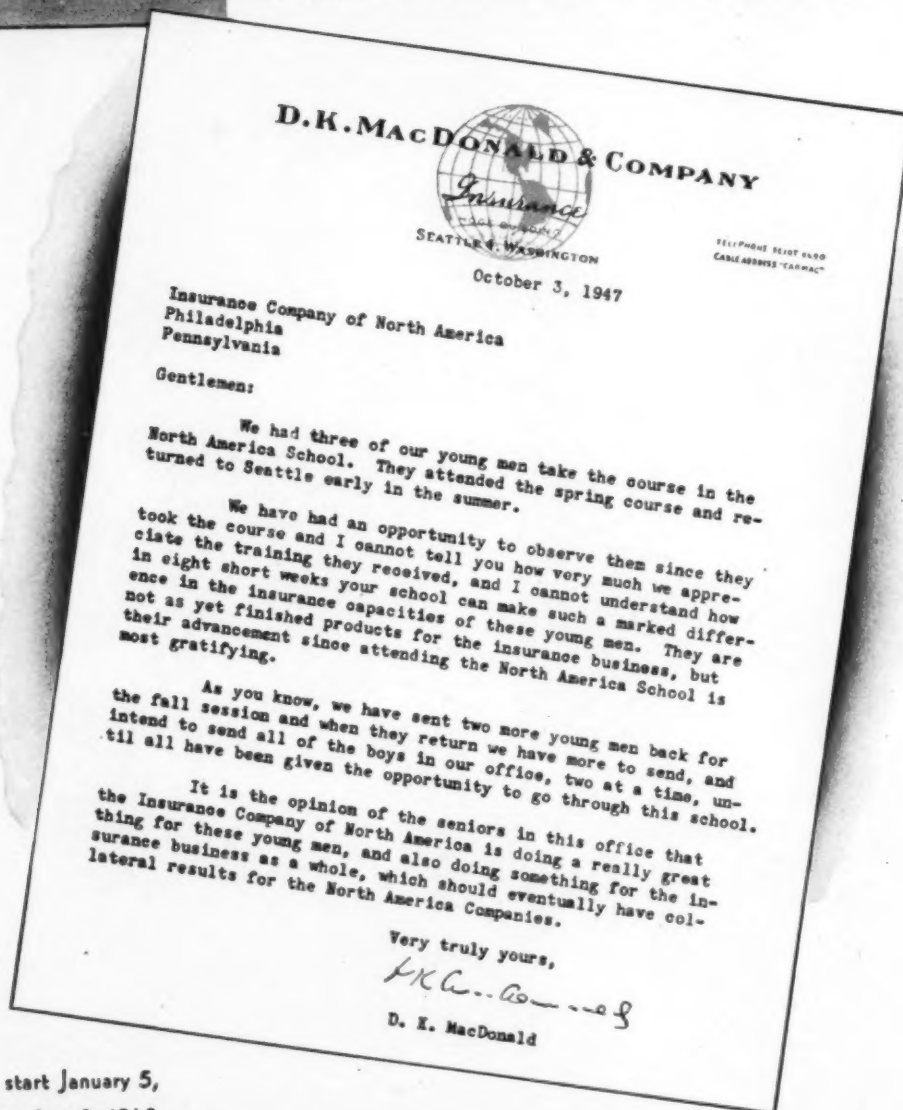


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N.A.I.C. Florida Meeting Near Record for Attendance

Admittedly Most Enjoyable Ever Held—Few Absorbing Issues Brought Up

By LEVERING CARTWRIGHT

MIAMI BEACH—With the sun for his ally, Commissioner J. Edwin Larson of Florida this week staged here what goes down in history as the most enjoy-



S. B. Thompson



J. E. Larson

able convention of National Assn. of Insurance Commissioners ever held. It may also be the largest, the registrations exceeding 800 due to the large number of wives that made this a me-too pow-wow.

Despite the distractions of beaches, fishing, horse races, dog races, and just plain gawking and absorbing sunshine vitamins against a return to zero weather, the commissioners and camp followers put in long hours at committee sessions, commencing Sunday afternoon and ending Thursday noon.

Thursday was a particularly congested day so far as committee meetings were concerned. The meetings were crowded together more than usual so that Wednesday could be left open for fun. Chris Gough of New Jersey tried to spoil that by proposing a meeting all Wednesday afternoon on the automobile assigned risk problem, but he was squelched by the playboy element.

Entertainment Features Superb

The entertainment features were superb, starting Saturday night with the Negro championship football game at the Orange Bowl. Sunday night set a new high with a cocktail party under the palm trees at the Flamingo, followed by a sumptuous buffet on the lawn and then a first rate water show in the pool, including an obnoxious drunk with a convention badge, who, of course, ended up in the pool fully clothed. Monday evening there was another cocktail party, and the banquet with Governor Caldwell as the speaker, the entertainment consisting of Negro singing by the Florida A. & M. chorus. Vice-president Ken Guernsey of Gulf Life, who is president of Rotary International, was toastmaster on that occasion.

The Florida interests had made their plans to perfection. They are devoted to Commissioner Larson, who is also state treasurer, and they wanted to put on a star performance for his sake. They also wanted to erase the memory of the last Florida convention, which was held at St. Petersburg in 1934 and which was the one that hit bottom so far as accommodations were concerned. Incidentally Tom Smith, the famed Miami Beach publicity and convention bureau man, in speaking at the opening session, ex-

N. A. I. C. Central Office to Open at Raleigh July 1

MIAMI BEACH — The central office of National Assn. of Insurance Commissioners is to be set up by July 1, 1948, at Raleigh, N. C., with a budget of \$20,000 and with an assistant secretary presiding.

This was decided by the executive committee at its meeting here Sunday afternoon. The committee on the central office, headed by Forbes of Michigan, had recommended that the office be located at Chicago, but the final decision was to select Raleigh, the office to be located there so long as W. P. Hodges, the North Carolina commissioner, is N.A.I.C. secretary. Mr. Hodges is to select the assistant secretary subject to the approval of the governing committee. The budget provides \$10,300 for the combined salaries of as-

sistant secretary and stenographer.

When Mr. Hodges steps out of office as secretary, the question of where to locate the office will be taken up anew. It is not automatically to follow the secretary.

The budget is \$20,000 and that is the amount of revenue that is assured for the purpose.

When the matter of the location of the office came up, one of the members voiced the belief "it should be started in a modest way and be kept close to its mother."

The title assistant secretary was decided upon rather than something like executive secretary or manager largely because of the objection of Bowles of Virginia to any title that would place the secretariat in a bossy position.

pressed regret that Mr. Larson had not "offered himself for governor."

The convention was financed to the tune of about \$20,000 by Gulf Life, Peninsular Life, Suwanee Life, American Title, which does an extensive insurance business as well as titles, and American Fire & Casualty, together with local agents, life insurance men and banks.

Many of the committee sessions were held on open terraces with the men doffing coats, and the weather was just what the Miami Beach publicity bureau says it is.

There were no absorbing issues to grip the convention, but, except for life insurance, which drew almost a pass this time, there was a great variety of matters to go into. Most of the committee discussions were conducted almost entirely by departmental men. The industry spokesmen were on the listening end this time and had very little to say except when specifically invited to comment and then they didn't say much.

The convention had quite a political flavor, since it was addressed by U. S. Senator Holland and Governor Caldwell, and there were present numerous Florida state officials, and legislators and state senators and representatives from other states, including a delegation of 12 from Massachusetts.

Pamunkey Ceremonial

The ceremonial Tuesday evening of the Pamunkey Tribe of Real Indians at the N.A.I.C. meeting was a rousing success with a record number of neophytes paying \$10 a head instead of the old scale of \$5. Due to the retirement of E. C. Stone and the death of A. N. Butler, two of the traditional Pamunkey leaders were missing.

Big Chief was John R. Dumont, Interstate Underwriters Board; scribe, Thomas Watters, National Board; prelate, E. H. Sherman, G.E.I.C.; secretary, Clarence Klocksin, Northwestern Mutual Life; outer guard, David Broderick, Dearborn National; guide, Kenneth C. Black, Home; drum handler, E. M. Ackerman, Weekly Underwriter.

U. S. Senator Holland of Florida, addressing the Monday luncheon of N.A.I.C., went on record for continued state regulation of insurance. He also voiced the hope that there will not arise any reason for nationalization or socialization of any part of the insurance business. He said he hopes that by July 1, 1948, such progress will have been made in resolving the problems on insurance supervision that the country again can be assured of continued state regulation.

Senator Holland counseled the industry to come forward to Congress with a constructive program of its own if in the future it finds itself in a jam, rather than waiting for some proposal

advanced by unsympathetic sources and then seeking to block it.

For the most part Senator Holland dwelt on foreign affairs.

Laurence F. Lee, president of Peninsular Life, presided. At the speakers table were Gov. Caldwell and R. A. Gray, Florida secretary of state, and James Franklin, chairman of the Florida senate insurance committee.

Fleming on Fire Prevention

Maj. Gen. Philip B. Fleming, chairman of the President's fire prevention conference, in addressing the luncheon meeting Tuesday, said the insurance commissioners occupy key positions that can be made to produce effective results in the national strategy to combat fire. They can help especially in promoting state fire prevention conferences.

He cited as a splendid example the Ohio conference and said if all states were to duplicate what is being done there the results would be far-reaching. He said Florida is making plans for a conference in January.

Keentucky, New Hampshire, Massachusetts, Louisiana, Texas and Kansas have held similar meetings and a Pennsylvania conference opens this week. A conference has been set for Jan. 13 for Augusta, Me.

All fires are local and of local origin. The prevention job, therefore, is a local one, he said.

To Study Compensation Graduation

Recommendation that field studies be conducted with the cooperation of the industry in pursuance of the effort to pinpoint how expenses graduate by size of risk in workmen's compensation was made at the N.A.I.C. convention by the compensation subcommittee on graduation of expense by size of risk.

The committee stated that a conclusion can't be reached without a detailed expense analysis within individual insurers. Hence the recommendation for the field studies, such probing should embrace all elements of expense and not merely those of administration and payroll audit.

The committee recommended that National Council on Compensation Insurance be instructed to require its members to report annually the number of compensation risks written nationally, broken down as between those developing a premium of \$1,000 and under and \$1,000 and over.

The committee said it has been unable to determine the exact degree of graduation of administration and audit expenses, but it declared there is no doubt that there is an appreciable variation.

President Seth Thompson of N.A.I.C., announced the appointment of W. P. Hodges of North Carolina as chairman of the important examinations committee to fill the vacancy caused by the

(CONTINUED ON PAGE 28)

Floridans Highly Pleased with Windstorm Parley

Influential Company Committee Devotes Four Days to Problem

MIAMI—Florida agents are highly satisfied with the conference that they had here over a four-day period last week with a top-flight committee of Insurance Executives Assn. on the ques-

tion of windstorm capacity on the Florida east coast from Palm Beach south. They were pleased that the companies agreed to send a committee here, because they felt sure that if the company men could see the stout construction that prevails they would get over their hurricane jitters. And they



B. M. Culver

were doubly pleased when the caliber of the committee, headed by B. M. Culver, chairman of America Fore, became known.

The Florida group feels that the company executives were favorably impressed. There was no expectation that any pat solution would be forthcoming at the time of the conference, but they are hopeful that the members of the committee will be encouraged by what they saw and heard to liberalize the underwriting attitude of their own companies and to prepare a report that will influence favorably the attitude of other companies. There was no suggestion that the problem be handled via the pool route or that any sort of joint underwriting action be taken.

Federal Threat Vanishes

There was no mention during the conference of the threat to seek the creation of a federal fund to assume the windstorm liability and it is understood that U. S. Senator Holland has been requested not to introduce a bill to that end. However, some of the Florida leaders think that the threat may have been responsible for causing the companies to send the committee to Florida.

The problem relates mainly to the big hotels. There is no difficulty in getting coverage for dwellings. The hotels, it is readily admitted, suffered extensive damage when windows were blown out and rain poured in. Tile roofs predominate and each individual tile costs as much as \$2. Labor costs are fantastic, workers, it is said, getting as high as \$35 a day. One large agent, whose losses in the recent hurricane will amount to \$1 million, states that the same physical damage would have been worth but \$500,000 just a few years ago. Nevertheless the agents feel that the companies are underwriting on the basis of a far higher loss probability ratio than is justified.

The visitors were taken on a 50 mile bus ride during which the types of construction were carefully pointed out, both new and old. The effect of the building code was shown. They were

(CONTINUED ON PAGE 29)

Reasons, Remedies for Reduction in Market Reviewed

Gallagher Tells Virginia Agents How It Affects Them and Companies

RICHMOND — A comprehensive analysis of the factors that enter into the present fire insurance market shortage, and the remedies that have been suggested, was given by Eugene F. Gallagher, manager of special services of Planet, at the midyear meeting here of Virginia Assn. of Insurance Agents. With steadily skyrocketing premium volume, there has been a continuing need for greater surplus and at the same time, there have been several conditions which resulted in a steady drain on surplus.



E. F. Gallagher

There are certain accepted ratios in connection with policyholders' surplus, he said, which have to be watched carefully. The so-called "Kenney formula" indicates that the unearned premium reserve and policyholders surplus should be approximately equal. Another, which is approved by the New York department among others, prescribes that a company should not write more premiums annually than the amount of policyholders surplus. Mr. Gallagher said some companies may be writing from three to four times more premium annually than the amount of policyholders surplus, and be perfectly sound in every way, but they prefer to remain conservative and to operate on generally accepted safe principles.

Increase Surplus to Retain Ratio

If a company with \$4 million surplus to policyholders, writing a conservative \$4 million in annual premiums, suddenly finds itself writing at the rate of \$5 million, it is apparent that if it is to retain its desirable 1 to 1 ratio, it must increase its surplus by \$1 million. That is an increase of only 25%, but actually fire companies' annual premiums in 1946 increased 34% over 1945, so that the business is faced with more premiums than it can comfortably digest, even though no other factors were acting to reduce surplus already built up.

"Cumulative Strangulation"

There is thus a cumulative strangulation—the need for more surplus if a company is to write increased business and maintain accepted ratios, coupled with a situation in which existing surplus is continually being reduced.

On the latter angle, he reviewed what actually happens when a policy is sold. On a five-year term policy with a premium of \$1,000, the company must not only add \$1,000 to unearned premium reserve at once, but it must incur expenses of probably \$150, all of which must come from surplus. Eventually the agent remits the premium less his commission of say, 20%, which means \$800 for the company, but it already has put up \$1,000 for unearned premium plus \$150 for incurred expenses so that the surplus has been reduced by \$350. This temporary drain on surplus during a period of increase of business is known as the "financing penalty." In addition to straight fire premiums, there also have been unparalleled increases in extended coverage and motor vehicle pre-

E. U. A. Issues Advisory Bulletin on Commissions

Eastern Underwriters Assn. has sent out an advisory bulletin on recommended commission scales for Boston, New York, Rochester, Pittsburgh, Philadelphia and Baltimore. It is a somewhat involved pattern and undertakes to classify producers for commission purposes.

In general it specifies a flat 25% commission for agents performing supervisory service, 20% for policywriting agents and 15% for brokers and non-policywriting agents.

Thus policywriting is valued at 5 points and supervisory service at 5 points. At Boston the top commission is set at 27½%. No change is recom-

mended in contingent arrangements and no effective date is suggested. In ordinary territory the commission is 20%.

A good many of the supervising agents, who have been getting 20, 25 and 30 express satisfaction with the 25% flat arrangement even though it might mean a fractional percentage decrease because of the simplification of the bookkeeping system that is thus made possible.

Most of the excess commission arrangements that have existed in the east have now been terminated. A number of agents voluntarily gave up such excess payments before they were asked to do so.

miums, which mean further drains on surplus.

The loss record during this hectic period of soaring premiums hasn't helped surplus any. Automobile business has constantly lost money for several years and fire losses on real and personal property are now at an all-time high. Fire companies on their over-all operations showed a statutory loss from underwriting in 1946 of \$114,970,000.

There have been no capital gains realized on investments, no underwriting profit, so, of necessity, all financing penalty must come out of surplus. It would not have been such a burden if losses had not been so excessive, or if there was a marked increase in the market value of investments, but all winds blew from the wrong corner.

He said there has been an almost imperceptible indication that possibly the experience is improving a little, that even motor business may be getting a trifle better. That will help, he said, but most companies simply cannot allow the premium income to increase further and still afford an unimpaired quality of protection, unless certain developments take place.

Rates Should Be Increased

Reviewing some of the steps that already have been taken, or may be in the near future, he declared that rates should be increased although the effect will not be felt immediately insofar as surplus is concerned—probably not for a year or two. In the case cited, where surplus was depleted \$350 through a financing penalty when a \$1,000 premium was received, it rates were increased 20%, the immediate depletion would be \$420 instead of \$350. However, after a lapse of some time, rate increases that are sufficiently realistic to produce some underwriting profit should help to alleviate the situation.

Suggestions have been made for abolishing the term rule. This would help capacity, but pose a serious problem to the agents for at least two years. It would upset the entire business so drastically that Mr. Gallagher doubts that it is feasible.

Opposes Reserve Reduction

It has been suggested that insurance departments take a more realistic view of unearned premium reserve requirements, inasmuch as experience has shown that a company may have a so-called equity of as much as 40% in the unearned premium reserve. Mr. Gallagher believes that any reduction in these requirements would be a mistake, because in times of adverse experience, reserves are not much more than adequate. It is far better to be obliged to search for capacity today than to face uncertain security tomorrow, he said.

A fourth suggestion is to secure more capital by sale of additional stock. In spite of adverse timing, he said this is probably the most feasible method. It is a decision for individual companies to make. The present yield in earnings rather discourages investment of additional money. Furthermore, the present condition is not conceivably a perma-

(CONTINUED ON PAGE 29)

Pulbrook Again Head of Lloyds

Sir Eustace Pulbrook has again been elected chairman of the committee of Lloyds and Sir Stanley Aubrey deputy chairman.



Sir E. Pulbrook

He received the gold medal for distinguished service to Lloyds in 1932. He has headed two important missions to the United States—one in 1937 to arrange the renewal of Lloyds' license in Illinois and again in 1942 to initiate the plan which resulted in British insurance communications office, known generally as "BICO." He made a tour of the United States in 1946 and again visited this country earlier this year.

Sir Stanley Aubrey became an underwriting member of Lloyds in 1910. He became deputy chairman of Lloyds in 1934 and chairman in 1935. He was again elected chairman in 1938 and served as deputy chairman in 1943 and 1944. He was awarded Lloyds gold medal in 1939. He visited this country in 1946 and again this year.

Eight Promotions Made by Atlantic Mutual Group

Louis R. Burbach and Joseph H. Smiley have been appointed vice-presidents of Atlantic Mutual and Centennial. Mr. Burbach has been vice-president of Atlantic Mutual Indemnity since its formation and will continue in that post. Mr. Smiley has been fire agency manager of the Atlantic Mutual and Centennial.

Harry K. Lubkert has been named comptroller of all three companies. Roy Thurnall becomes cargo secretary of Atlantic Mutual and Centennial. Dale E. Taylor has been appointed assistant secretary of those companies and will assist Mr. Thurnall in ocean cargo underwriting. Charles F. Cowley has been named automobile claims manager of the two companies. Warren Partridge has been appointed personnel officer for all three companies and will also act as office manager and Geraldine Mason has been named assistant secretary of the three companies.

Home Town to Honor Welsh

William P. Welsh, president of N.A. I.A., will be the guest of honor at a dinner tendered by his fellow members of the Pasadena (Cal.) Assn. of Insurance Agents Jan. 16.

Chilcote Goes to U. S. Court; Federal Trustee for Agency

ST. LOUIS — Donald E. Chilcote, president of Chilcote & Co., and the agency secured a federal court order under the federal bankruptcy act naming John Raeburn Green, attorney, as federal trustee to take over the operation of the insurance agency company. The order also restrains Superintendent Jackson and his agents and examiners from further proceedings in their state court suit against Chilcote & Co., and directs them to turn over to the federal trustee all books and records of the agency.

Great American Indemnity and Preferred Fire are enjoined from proceeding further in their circuit court suits against Chilcote & Co., or from attempting to continue the attachment of its assets under state court writs.

The agency declared that under normal conditions it would be able to meet all of its liabilities as they became due but for the action of the insurance department and others named in the petition. It charges that the action of the department in seizing its books and records for its inquiry into the affairs of Mutual Commerce Casualty was "unlawful and arbitrary."

It stated that the officers of the agency were unable to determine the exact amount of assets and liabilities because of the seizure of the books, but that as of July 31 assets totaled \$313,541 and liabilities \$278,851.

The agency was closed after Superintendent Jackson suspended the personal licenses of officers of the company.

Federal Judge Moore will conduct a hearing Jan. 23 on objections to the retention of Mr. Green as trustee for the agency.

Ekern, Preus, Brown in Bitter Fight

MIAMI BEACH—Maj. M. J. Harrison, former Arkansas commissioner, and now Little Rock insurance attorney and receiver of Betterway Life, was elected president of Passé Club, thus breaking the Ekern, Brown, Preus deadlock.

MIAMI BEACH—A discordant note has been injected in the convention here of National Assn. of Insurance Commissioners by a bitter contest for the presidency of Passé Club International that was made vacant by the death of James Victor Barry. There are three candidates and the electioneering that is taking place is regarded by many of the more sedate conventioners as being too aggressive and in poor taste. The candidates are Herman Ekern of the Chicago law firm of Ekern, Meyers & Matthias, former Wisconsin commissioner; J. A. O. Preus, vice-president of W. A. Alexander & Co., Chicago, former Minnesota commissioner and governor, and Garfield Brown of American Mutual Alliance, Chicago, former Minnesota commissioner.

Passé Club consists of ex-commissioners. It has been dormant for several years, but Howard J. Brace, vice-president and secretary of Occidental Life of California, the secretary, recently decided to bring it to life and make it an influential organization in the insurance field. Its next project is to give a party for extant insurance commissioners, at which the alumni will indulge themselves to the utmost in giving the bird to those now in office.

Prepare C.P.C.U. Courses in Texas

Plans were laid this week for organization of a C.P.C.U. study preparatory course at Dallas. The Dallas Assn. of Insurance Agents will sponsor the course.

The San Antonio Insurance Exchange also will sponsor study courses in that city next year.

Look to Texans for Counsel on Commission Issue

Lone Star Agents, as First to Feel Knife, Are Consulted

Inasmuch as the kickoff in the commission reduction program took place in Texas, with many companies leveling the windstorm and E. C. scale to the traditional 20% fire insurance allowance, agents in the middle west are anxious to counsel with Texans, now that they are faced with the same fire-E. C. commission equalization plan. A number of Texas leaders advise the middlewesterners to register protest with the individual companies and give them to understand they are displeased. But these Texans counsel against engaging in litigation against the companies or seeking to force concomitant rate reduction. Any such activity, they say, would hurt the agents as much as the companies, no matter what the outcome and might result in commission regulation legislation that would be abhorrent.

Most of the Texans like their law under which 25% has been recognized by the state as being a fair commission and a 25% factor is used by the Texas department in promulgating the gross rate. Many Texans feel that the company executives as a whole did not understand that under the Texas formula the insurers cannot gain by a commission reduction because that simply reduces the expense multiplier. The only advantage, they say, would be from the time of the commission reduction until the hour of the next rate determination. However, in pursuing this theory they are assuming that the sole purpose of the commission change is to compensate for the underwriting deficits now being suffered. Company spokesmen insist that this is not the purpose and so the argument goes around and around.

Several Still Pay 25%

The Texans say that many insurers, including several of the most important companies, have not reduced wind and E. C. commissions there. Hence, they apparently feel there is a possibility that the program, lacking complete adherence, may collapse as time goes on and perhaps agents obtain more leverage with an improvement in underwriting results. However, one or two of the most prominent companies that have not reduced Texas commissions are the very ones that are taking the lead in cutting the wind and E. C. scale in the middle west to the 15, 20, and 25 that is paid for fire business instead of 25% straight.

In the whole commission picture nationally probably the group that is the least affected are the agents in S.E.U.A. territory. There the wind and E. C. commission has been but 20% right along, there are no excepted cities and no contingents. However, they don't want to miss the party and there is grumbling in that region on the report that casualty commissions have been reduced here and there.

Cochrane to Fire Assn.

R. Scott Cochrane, since 1944 with Cosgrove & Co., San Francisco, has joined the Pacific department of Fire Assn. as marine underwriter associated with Don E. Moodie, marine manager. Mr. Cochrane went into the marine business with Boston in 1936. Later he was with Edward Brown & Sons and in 1942 joined the Pacific department of Pohenix Assurance.

Jackson Reelected by Marine Institute

Harold Jackson, president of William H. McGee & Co., was reelected president of American Institute of Marine Underwriters at the annual meeting last week.

Henry B. DeGray, president Appleton & Cox, was elected first vice-president, a newly created position, and J. Arthur Bogardus, president Atlantic Mutual, is second vice-president. Owen C. Torrey, general manager, Marine

Office of America, was elected treasurer and E. G. Driver was reelected secretary.

Four standing committees were also elected, and chairmen are: Admissions, Thomas S. Deering; forms and clauses, Hawley T. Chester; legislation, J. T. Byrne, and relations with carriers, H. E. Reed.

Name Wis. Committee Heads

Henry H. Bush, Madison, new president of Wisconsin Assn. of Insurance Agents, has announced his new standing committee roster. Chairmen are:

A. R. Morton, Waukesha, finance; John S. Rowland, Racine, membership; Charles L. Manson, Wausau, legislative; George Burkart, Plymouth, fire prevention; George A. Timm, Kenosha, accident prevention; Arthur C. Anderson, Madison, publicity-education; J. L. Ashton, Milwaukee, fire company-agent relations; Caspar Wallrich, Shawano, casualty company-agent relations, and R. C. Pittelkow, Milwaukee, constitution and by-laws.

The Mid-West Insurance Buyers Assn. will have its Christmas party Dec. 16 at the Chicago Bar Assn.



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National Board to Reward Towns for Prevention Work

The National Board will announce Dec. 19 the names of cities winning certificates of merit for outstanding activities during Fire Prevention Week. The awards are made for inspections, school activities, publicity and literature, and the efforts of business organizations.

Judges are W. A. Hebert, president of

Springfield F. & M., chairman of the fire prevention and engineering standards committee of National Board; George W. Elliott, manager National Automatic Sprinkler & Fire Control Assn.; Fred Shepperd, managing director International Assn. of Fire Chiefs, and A. Leslie Ham, manager Canadian Underwriters Assn.

The new officers of the San Francisco Insurance Women's League were installed at the Dec. 6 Christmas luncheon party.

125 Attend First Virginia Mid-Year

RICHMOND, VA.—Nearly 125 local agents were on hand here last week for the first midyear meeting of the Virginia Assn. of Insurance Agents. Most of the meetings were devoted to business affairs, and there were only two speakers. President J. V. Arthur, Winchester, presided.

High spot of the meeting was the talk on the "Insurance Market Situation" by Eugene F. Gallagher, manager special service department, Standard of Detroit group. He summarized a number of solutions to the problem of insufficient capacity.

The other speaker at the afternoon session was T. Coleman Andrews, Richmond public accountant and a former director of the corporation audit division of the general accounting office in Washington. In introducing him, Warren F. Curtis, vice-president of the association, recalled that it was through his aid and influence that the county treasurers' bonding act was passed some years ago. Mr. Andrews had for his subject "Integration of Internal and External Federal Expenditures."

Giles M. Robertson, chairman of the accident prevention committee of the association, reported the committee was undertaking to have every insurance office in the state adopt the N.A.I.A. oath of safety.

West Receives Award

Caleb D. West, Jr., Newport News, a past president, was presented the past presidents award for the most outstanding service to the industry. The presentation was made by W. Owen Wilson, a past president of the Virginia and National associations. Mr. West had been already voted the award, which is made annually. Besides Messrs. West and Wilson, past presidents attending were Marvin L. Wilson, Alexandria; T. W. Kelley and J. Davis Ewell, Richmond; Roger Clarke, Fredericksburg; John T. Minter, Norfolk; James T. Catlin, Jr., Danville, and Jacob Haun, Woodstock. Mr. Haun won the attendance prize.

Because of the difficulty encountered in booking conventions, officers of the association for the current term were authorized to select meeting places for the conventions in 1949 and 1950.

Included in the list of special guests at the banquet were C. Nelson Bean, president, and Howard Eales, past president, of the Washington, D. C. association; George A. Bowles, Virginia commissioner; and Harvey B. Apperson, attorney-general of Virginia.

It was announced after the session that in presenting the report of the legislative committee W. O. Wilson, chairman, said that the committee was in full cooperation with the subcommittee of the Virginia advisory legislative council in the preparation of such legislation as will be necessary to comply with public law 15. Whatever legislation is proposed will be considered at the biennial session of the general assembly in January.

American's Stock Offered Present Holders at \$13

American is offering to its stockholders a new issue of 662,504 shares of stock, par value \$2.50, at \$13 per share, on the basis of one new share for each two shares owned at the close of business Dec. 1. First Boston Corp. heads a nationwide group of investment banking firms which is underwriting the offering to stockholders. The subscription period expires on Dec. 22. Proceeds from the stockholder offering are expected to be approximately \$8,407,176.

Net premiums written by the American group increased from \$18,170,411 in 1937 to \$53,123,729 in the year ended Sept. 30, 1947. Assets Sept. 30 were \$82,283,622.

Farm Bureau to Hold Insurance Meeting Dec. 15 at Chicago

The American Farm Bureau Federation has slated its insurance conference for Dec. 15 at the Hotel Sherman, Chicago, in connection with the annual convention of the federation in Chicago that week.

On the insurance agenda are Alfred N. Guertin, actuary of American Life Convention, and Donald Kirkpatrick, general counsel of the federation, and Vernon Vaniman, organization director of the middlewest for the federation. They will speak at the morning session.

In the afternoon, Larry Williams, manager Iowa Farm Bureau Life and Robert M. Ryker, Research & Review, will speak. The meeting will conclude with a panel discussion on organization of farm bureau insurance programs, led by B. C. Buckingham, counsel Iowa Farm Bureau Federation; John T. Casey, insurance director of A.F.B.F., and Dave C. Micher, vice-president Southern Farm Bureau Life.

Freitag Natl. Fire Agency Superintendent in West

Herbert G. Freitag, superintendent of the brokerage and reporting cover department in the western department of National Fire, has been promoted to agency superintendent. After 15 years in underwriting, Mr. Freitag joined the western department of National Fire in 1923 in his present capacity.

Elmer E. Krueck will succeed Mr. Freitag. He has been with the western department since 1930 except for military service. He has occupied various positions in the brokerage and reporting cover department and was appointed assistant superintendent last year.



H. G. Freitag

Indiana Pond Has Party

The annual Christmas party of Indiana Blue Goose was held Saturday evening at Indianapolis with about 140 participating. Bridge and dancing made up the entertainment. For the first time in many years there was no dinner.

Frank J. Welch, Home, and Harold A. Stevens, Security, were joint entertainment chairmen. Ladies of the auxiliary were responsible for decorations and name cards.

The next meeting will be held in Indianapolis Jan. 26, with an initiation.

CASUALTY MANAGER

This man has been engaged for 15 years in the casualty business as Engineer, Special Agent, and Special H O production representative. He has a university degree and ability to handle a responsible position. Personal qualities are well above average.

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Highlights IN INSURANCE HISTORY

FROM AN ANCIENT MYTH

The Board of Fire Underwriters is an evolution of the "Salamander Society", whose picturesque title was based on the ancient myth that salamanders could live in, or even quench, fire. While this famous Board, organized in 1819 and given its present title in 1866, has not discovered a human capacity for living in flames, its members have learned, among other discoveries and accomplishments, more about quenching flames than its founders could ever have imagined.

Since their foundation, the National Union and Birmingham Companies have had a part in the solution of many seemingly unsolvable fire insurance problems.

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Administrative Procedures Taken Up by Rating Group

MIAMI BEACH—The first committee meeting at the N.A.I.C. convention was that on rates and rating organizations at which consideration was given to guarding against angularities in administration of the rating laws due to diversity of regulation on matters of detail. The chairman, Harrington of Massachusetts, gave a digest of the memorandum that had been submitted as the personal views of J. R. Berry, general counsel of National Board. Mr. Berry said a consistent pattern of legislation and interpretation is essential to satisfactory administration of the rating laws. Such consistency has been developed in respect of legislation. On the score of interpretation, he suggested a procedure that would parallel somewhat that of the blanks committee. Each state would refer to the designated N.A.I.C. committee any problems of interpretation on which it wants enlightenment. These questions would be set down in agenda form and circulated throughout the industry and states well in advance of a hearing and briefs would be solicited. The final step would be to fashion recommended answers to the various questions.

Reviews Alliance Philosophy

Frank J. Marryott, Liberty Mutual, gave a brief resumé of the 40-page treatise that was offered by American Mutual Alliance. This covers the philosophy of the all-industry bill, the general standards for making and judging rates, the specific guides such as losses, catastrophe element, margins for profit and dividends to policyholders, expenses, classifications and modification of classification rates, loss and expense experience reporting and recording, rating organizations, administration and enforcement.

John Stott of Norwich, N. Y., vice-president of National Assn. of Insurance Agents, said he likes the idea of a clearing house such as was advanced by Mr. Berry and if this should be set up he said N.A.I.A. would like to have a voice on any matters affecting agents.

Ray Murphy, Assn. of Casualty & Surety Companies, read a memorandum speaking favorably on the idea of holding forums for personnel of state rate administration agencies. He said his organization is instructed when it comes to expressing its views on rating matters because the association is not a rating authority. Reference was made to a memorandum from Health & Accident Underwriters Conference on administration of the A. & H. regulatory law.

Industry Urged to Speak Up

Mr. Harrington expressed impatience with what he termed a reluctance on the part of the industry to speak up. He said the business has complained because of the diversity of regulations that are being issued under the rate laws and is pleading for coordination; yet when the industry is provided with a forum to bring their views to the front, it is largely silent.

Chris Gough of New Jersey took the platform to praise the American Mutual Alliance treatise as a "splendid all-inclusive impartial text book." He declared it is essential for the states to coordinate their interests under the rating laws. Unless some central committee is put in operation there will be failure. It is unthinkable that a rating organization should have to run the gauntlet on every little detail of a rating program through 49 jurisdictions. Every major rating program must be related to the national situation. There must be a central organization staffed with rating experts whose counsel and observations can radiate to the various states. They would weigh the statistics and other data from the national stand-

point. The expenses of the central organization, he said, should be underwritten by the industry. He said he has little faith in the efficacy of rating forums.

Mr. Gough contended it is important that all rating matters be concentrated in the rates and rating organization committee.

Dineen of New York gave an insight in how the fidelity-surety rating problem is being tackled from a national standpoint. He recalled that Forbes of Michigan, chairman of the executive committee, had named New York, New

Jersey and Connecticut as a committee in this field. The problem is complicated by the fact that in most fidelity-surety lines Surety Assn. of America makes rates on national forms with national experience and national rates. This committee with its technicians had a conference with Martin Lewis, manager of Surety Assn.; A. F. Lafrentz, American Surety; Vincent Cullen, National Surety, and Hale Anderson, Fidelity & Casualty. A study is being made of the distribution of expense in the various fidelity-surety lines, because it has been represented that a substan-

tial element of the premium is traceable to service expense. The surety people are disposed to cooperate because they realize that under the new laws more than pure judgment will be required to justify rate filings. The committee will get out factual material together with its own recommendations. Henry Moser of Chicago, general counsel of Allstate, said the National Assn. of Independent Insurers will submit a written statement soon. However, N.A.I.I. is opposed to forcing "every-one to travel down the same street," he commented.

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N.A.I.C. Executive Committee Takes Up Commission Issue

Statement Deplores "Unfair, Unjust and Summary" Action by Companies

MIAMI BEACH — The executive committee of National Assn. of Insurance Agents held forth here Friday, Saturday and Sunday and, after wrestling for hours on the capital issue of commission reductions, assigned to a subcommittee the task of preparing a statement that would reflect the common denominator of committee opinion.

On Sunday the five members of the committee and their wives moved from the Roney Plaza to a de luxe cottage on the grounds of the Flamingo for the period of the convention of National Assn. of Insurance Commissioners. This

was a popular rendezvous during the week.

Members of the subcommittee framing the statement were Walter Sheldon of Chicago, Robert Perkins of Manchester, N. H. and O. Shaw Jackson of Clarksdale, Miss. The statement follows:

"The executive committee has taken notice of the fact that the statement of the association made in Atlantic City in October, to the effect that compensation to agents be not disturbed pending the completion of a survey of agency costs which is being made by the association, has been disregarded by several fire insurance companies. These companies have notified some of their agents of a reduction of their compensation. This action by these companies has greatly disturbed the production forces of the country.

"Agency compensation contracts have heretofore had the element of agreement between companies and agents, which is the foundation of successful relations. Now to disregard this element, with no recognition of the increased cost of agency operations, the manifest insufficient compensation for the handling of small units of premium, and the uncertainty of future economic conditions, seems an unfair, unjust and

summary action on the part of any company.

"The National association has long been committed to the policy of conference on all subjects of common interest, and it is exceedingly regrettable that a vital action, affecting agents' livelihood, has been taken by some companies without the knowledge of their agents and without any information in relation thereto.

"The executive committee maintains that sufficient compensation must be allowed to the producers of this country to pay the cost of essential services to the insurance buying public.

"Our conclusions are predicated on the best interests of all the elements in our industry, and more especially on the public interest involved in a curtailment of necessary service."

Wade Fetzner, chairman of W. A. Alexander & Co., Chicago, and who



Wade Fetzner

winters at Miami Beach, visited the executive committee meeting Saturday, being especially interested because Walter Sheldon, who is vice-president of his agency is a member. Mr. Fetzner responded to an invitation to make some observations on the current insurance scene in the light of 50 years in the business.

Mr. Fetzner said it is amazing that insurance has grown as it has by proceeding on a "by guess and by God" basis. Never, he said, has the business known its true costs. He voiced the belief that the agents are prospering today because they are operating above the break even point, but when the economy becomes stabilized, he predicted that the agents will find themselves in the red.

Applauds the Survey

Mr. Fetzner said he is delighted that N. A. I. A. has undertaken to learn the costs of agency operation. Mr. Fetzner recalled that he has always preached that it is the small run-of-mine customer that is the backbone of the agency and he mentioned that W. A. Alexander has some 75,000 accounts. Today, the dollar costs are such that the agency is losing on its overriding on every premium of \$50 or less. He said a policy can't be cleared through the agency for less than \$5.

If the small premium is being handled at a loss, he said the business is in a bad way because the average premium is probably only about \$35. He warned against becoming "befogged" by big business.

The service charge that is imposed by banks, he declared, is the answer to every merchandising problem. The pricing has to be reformed. He said "things are getting so bad that such reform will have to come and he declared that "things that are mathematical facts must come to be."

Mr. Fetzner urged the group in tackling the question of commissions to pursue analysis and eschew argument.

Vice-president John C. Stott said that fundamentally the position of N. A. I. A. is that everyone should "look at the record" before taking action. The costs should be known. He said he is disturbed by evidence that the companies do not recognize the position the agents have taken and the survey that they are making. He declared that the insurance commissioners are interested in knowing the costs and he voiced the belief that the commissioners will support the agents on anything that "does not lead to wishful thinking."

President W. P. Welsh said while it is preferable to have the issue settled around a table, if a fight has to be made to protect the agents, N. A. I. A. is ready to put on the gloves.

Considerable progress was reported

in connection with the survey of agency costs and a table was distributed based



John C. Stott



W. P. Welsh

on the costs of 25 Virginia agencies. The matter of reduction of windstorm and extended coverage commissions in Texas and the middlewest was discussed together with the excepted city situation. It was indicated that the reduction in windstorm commissions in Texas from 25 to 20% is much more of loss to agents than is the plan in the middlewest whereunder the wind and E. C. commissions are changed to 15, 20 and 25 to correspond with the fire scale instead of 25% flat. This is so because in Texas this represents a straight 5 point decrease and the wind rates are far higher in Texas than in the middlewest. Also in the middlewest since perhaps 75% of the wind and E. C. business is in the preferred classification, there is no reduction in commission involved there. The objection of middlewesterners is mainly on principle, the fear being that this may be a first step to a more severe cut. As one observer put it: "We fear that if they make it stick, they will have a leg up on future commission action."

The committee kept reverting to the matter of costs and expressed the hope that the various types of agency service could be accurately catalogued and evaluated. One of the leaders privately was speculating on the possibility of state legislation whereunder the various classes of producer could be typed and qualifications set up for each, and the commission to be paid would be governed by the type of license held.

The group was royally entertained Friday evening by Greater Miami Board. About 75 of the local men

(CONTINUED ON PAGE 10)

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Those who are actively engaged in the business of Corporate Suretyship are aware of its importance to American business, but for those who are not fully acquainted with this class of coverage, the following facts should be of great interest:

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December 11, 1947

One Fire Company Officer Optimistic

A fire company official commented the other day that his company is going to end the year in pretty good shape. The reserve position is satisfactory, and losses have not been so bad. Not all companies can afford to be as optimistic, but he makes several points which are interesting.

The losses reported by the companies and by the National Board are record breaking. They sound terrible. But in reading them, both the insurance people and the public should keep in mind that in comparison with previous years, particularly those years before the war, there is today a 50 cent dollar. Certainly prices have increased at least 100% since 1937. It should be kept in mind also that premiums have increased greatly since 1937.

About Same Cubic Area

Actually, he points out, fires are not burning up much more cubic area than they did in 1937. It is simply that that area is that much more valuable in price; it costs that much more to replace it.

He suggests that if the catastrophes that have occurred this year had been "normal," the companies would be ending the year, in point of fact, in a reasonably good position. The Texas City explosion, the Florida-Louisiana hurricane and the Maine-New Hampshire fires, both in number and in size, represented unusual catastrophes to be experienced in any one 12 months. To these, of course, must be added other large windstorm losses in the middle and southwest.

Problems Can Be Cracked

Certainly, he avers, the year does not justify any amount of panic. The problems of the business may be somewhat abnormal, but they are by no means insoluble or insurmountable, and the evidence justifies a reasonable optimism about the future.

Harry Clark Retires as P. W. Assistant Manager

Harry Clark, assistant western manager of Providence Washington, is retiring at the end of the year after 43 years in P. W. service. He has bought a place near St. Charles, Ill., on the Fox river.

Mr. Clark went to Chicago as a youth from near DeKalb, Ill., after his parents died, and for a short time was with Sears, Roebuck & Co. In 1904 he got a job as endorsement clerk in the western department of Providence Washington through the good offices of J. H. Macfarlane, now secretary in the western department of America Fore, who was then chief examiner of P. W., Mr. Clark being a distant cousin of his.

Mr. Clark progressed through various positions, and for several years was agency superintendent until being appointed assistant manager Jan. 1 of this year. During his tenure he has served under four managers—C. D. Dunlop, W. L. King, S. T. Collins and J. R. Cashel.

C.P.C.U. Leader



Joseph G. Romans, manager of the new aviation department of Royal-Liverpool, who was elected president of the Eastern Chapter of C.P.C.U. at the annual meeting last week.

Sherin Named 1st Deputy of Iowa Department

DES MOINES—W. H. Sherin has been appointed first deputy of the Iowa department. He has been serving as actuary in charge of the life department. He has been with the department since 1941.

A native of Mason City, Ia., Mr. Sherin graduated from University of Iowa in actuarial science in 1935 and took a post-graduate actuarial course. He was with Eastman Kodak at Rochester, N. Y., for four years before join-

ing the department. He succeeds Ralph Knudson, who resigned last July to join Hawkeye Casualty. The post of securities commissioner, also held by Mr. Knudson, is still vacant.

City Survey at Superior

SUPERIOR, WIS.—An exhaustive report on an intensive survey of insurance coverage and current replacement value of all city-owned buildings has been completed by the Superior board and submitted to the city manager for study and report to the common council. The report was prepared by the board

with Lawrence F. Ryan as the council's insurance agent-in-fact. More than 200 individual policies are now in force and coverages have been found under or over values in some instances.

Offer Food Spoilage Plan

A food spoilage insurance plan to protect consumers from food losses that may be caused by extended power failures is being written by Phoenix of Hartford for owners of home and farm freezers manufactured by Wilson Refrigeration.



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Chicago Commission Situation Is Still Up in Air

Much interest is taken in the meeting of a group of Chicago agents Thursday of this week to discuss the commission situation. These offices are known as supervising offices. That is, their business largely comes from brokers and hence, the expense of supervision is considerably greater than those offices which rely very largely on direct business.

Evidently the companies, or most of them at any rate, have not made definite statement to agencies as to commissions. One of the large offices says only one W.U.A. company has stated that its commissions will be 20, 25 and 30%. Agents, therefore, are pretty much up in the air. As a matter of fact, many companies are watching and waiting to see what the others intend to do. The brokers are confronted with a situation that is not very agreeable. Agents cannot adopt a brokerage schedule until they know what commissions the companies are going to pay. The

supervising agents feel a commission scale of 25 and 35% would be reasonable. That would satisfy the brokers and take care of supervision expense.

Some brokers have decided to become agents if the 25, 25 and 30% commission schedule is adopted. There is a movement for a syndicate of brokers working together, each one getting a company to represent.

The decision to have extended coverage and tornado insurance follow the fire rate is the only action that will affect agents outside of excepted cities. Some officials complain that agents' associations have tried to enter up these outside agencies, stating that they are next on the program for commission reductions. The companies deny this vociferously.

Some cities that are not excepted such as Indianapolis and those of similar size, state that if the excepted cities are to continue, these cities are entitled to recognition.

George Bisson, Rhode Island insurance commissioner, was unable to attend the N.A.I.C. meeting this week. He suffered a heart attack Armistice Day and has been confined to his home since then.

State Associations Make Protests on Commission Cuts

MILWAUKEE—Protest against the reduction in commissions on windstorm and extended coverage to the same scale as for fire business was made in a resolution adopted by the executive committee of Wisconsin Assn. of Insurance Agents, meeting here.

The resolution maintains that Wisconsin agents regard their contracts with their respective companies as bilateral agreements and the result of a meeting of minds. It is stated that many members have received letters stating that windstorm and extended coverage commissions were being reduced as of a certain date, with no previous knowledge or discussion of the matter.

The executive committee therefore resolved to register objection to this method of changing agents' contracts. A copy of the resolution will be sent to the officers of N.A.I.A.

MINNESOTANS PROTEST CUT

MINNEAPOLIS—Protest at the move by some companies to cut commissions on extended coverage and windstorm was voiced in resolutions adopted by the executive committee of Minnesota Assn. of Insurance Agents.

The Insurance Agents Assn. of St. Paul at its quarterly meeting took a similar stand and authorized employment of legal counsel to advise on the situation. In the meantime members were requested to do nothing that would jeopardize their rights. Previously Insurance Agents Assn. of Minneapolis indorsed a similar protest.

CONSIDER SUIT AT TOPEKA

TOPEKA, KAN.—Members of the Topeka local board at a special meeting voted to employ an attorney to look into the possibility of instituting a suit to restrain companies from reducing commissions. All members of the association were represented at the meeting.

RETAIN CINCINNATI COUNSEL

CINCINNATI—It has been learned from reliable sources here that a substantial group of Cincinnati agents have retained Robert N. Gorman, former Ohio supreme court justice, as counsel for possible legal action in the commission situation. Judge Gorman, it is understood, will be prepared to file a restraining petition under the Valentine act, Ohio's state anti-trust law, should any move by insurance companies appear to warrant this.

Public Offering Made of Springfield Stock at \$38

First Boston Corp. and Kidder, Peabody & Co. head a group of investment banking firms which is publicly offering 80,987 shares of \$10 par value stock of Springfield F. & M. at \$38 per share. Originally 200,000 shares were offered to stockholders at the rate of one for each 2½ shares held. At the close of the subscription period on Dec. 5, 109,400 shares had been taken by stockholders. The offering of 80,987 shares represents the balance of the 90,600 shares to be taken up by the underwriters plus 2,215 shares obtained by them through the exercise of rights, after deducting 11,828 shares previously sold by the underwriters.

Total admitted assets of the Springfield group were \$61,398,599 at Aug. 31, and net premiums written for the 12 months ended Aug. 31 were \$38,572,133.

Texas Hail Men Meet

The Texas hail committee met last week at Dallas to discuss results of the 1947 season. More than \$4 million in hail insurance was sold in the state last year by approximately 25 companies.

Gorman Gives Informal Anti-Trust Opinions to Pa. Association Leaders

HARRISBURG—The effect of federal anti-trust laws on the restrictive rules of local insurance boards was discussed in an "off the record" speech by Manuel M. Gorman of the Department of Justice at a meeting of directors and local representatives of the Pennsylvania Assn. of Insurance Agents and company representatives here.

The purpose of the meeting was to obtain informal opinions on the subject from responsible officials "without putting them on the spot."

In an earlier meeting, directors of the association planned a three-point education, and fire and accident prevention program to be handled through local units during the coming year.

Harold Aulenbach, Reading, was elected as a new member to the executive committee, and Howard S. Cope, Philadelphia, and E. W. Murphy, Pittsburgh, were re-named as members.

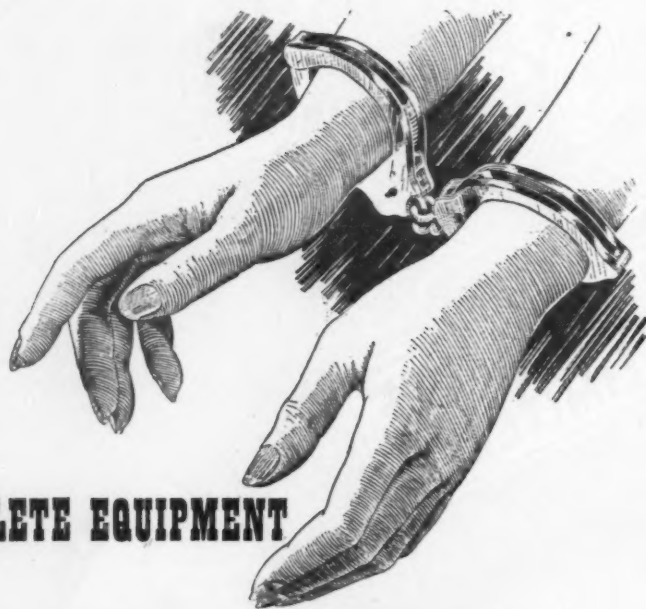
Zone Meeting at Pontiac

PONTIAC, MICH.—A zone dinner meeting of the Michigan Assn. of Insurance Agents is being held here Dec. 15, with an expected attendance of some 100 agents from this region, particularly Oakland and Macomb counties. Speakers will be Howard Huttenlocher, Pontiac agent and state association president; Russell A. Bradley, Ann Arbor, vice-president, and Waldo O. Hildebrand, Lansing, secretary-manager.

Association activities are to be discussed, including emphasis on the safety program being sponsored by the organization, particularly traffic safety. J. L. Van Wagoner, Pontiac agent, executive committee member for district 5, is chairman.

Mutuals Terminate Joint Deal

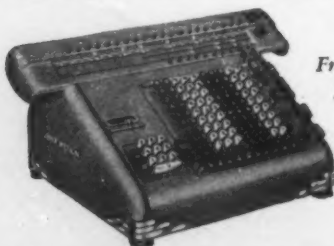
The association of Mutual Implement & Hardware and Hardware Dealers Mutual Fire in what has been known as Federated Hardware Mutuals is being terminated after Jan. 1 and the companies will operate independently. The growth of the companies and improved reinsurance facilities have wiped out the need for the arrangement and recent rate legislation has led management of the two companies to see the union as no longer feasible.



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Industry Committee Supports New Blank for 1947 Statements

The proposed new combined annual statement blank for fire and casualty companies was recommended to the N.A.I.C. blanks committee by C. G. Vanderfeen of National Surety and P. M. Dominick of Boston and Old Colony. They said the industry would like to have the form officially adopted for 1949 statements. Six months' notice would be required.

Mr. Vanderfeen said several large companies would be willing to submit their figures on this basis for 1947 operations, along with completing the present form, so that the states could compare the two in a close way. A. A. Dahlberg of Sun is joint chairman with Mr. Vanderfeen of the industry committee on the new blank.

Miss. Loss Pegged at \$4 Million

According to General Adjustment Bureau, the final figures on the hurricane damage to the Mississippi coast will show about \$10 million in property loss with the insurance loss less than \$4 million. Many buildings and contents were destroyed, but insurance to value was usually only 30 to 40%. The final insurance loss in Louisiana appears to be \$5,250,000, making a total of \$9,252,000 insurance loss for Louisiana and Mississippi.

Despite estimates that complications of wind and water damage would result in considerable litigation, there has been only one lawsuit on the Mississippi coast. The owner of the Riviera hotel has brought a suit for \$7,500, the face of the policy, claiming that wind was the cause of the total loss of the hotel pavilion which extended over the water. One of two large losses outstanding is the Gulfport Yacht Club, valued at \$400,000, carrying a \$200,000 all risk policy and \$40,000 fire and extended coverage. The property was destroyed, but some salvage remains in the bulkhead. The other is the municipal pier at Gulfport which was insured under an all risk policy and damaged to the extent of \$200,000.

To Be Closed in Two Weeks

As of Dec. 6, General Adjustment has received 29,587 claims in the Louisiana-Mississippi area, and closed 24,096 of them. All claims are in the hands of adjusters and the next two weeks is expected to close them. An average of 100 new claims has been received each day. Of the total, 3,990 claims indexed were on the Mississippi Gulf Coast with 3,409 of them closed. The average claim in Mississippi was \$323 and in Louisiana, \$119. With the aid of adjusters brought in from 26 states, the General Adjustment catastrophe organization was able to clear an average of 2,200 storm claims a week. J. F. Miazza, assistant general manager, who had charge in the area, estimates that 90% of the assignment will be completed by Dec. 20, and says that loss reserve estimates will be mailed on all open claims within the next week.

Mr. Miazza reports that the adjusters did excellent work in separating the water damage from wind damage, and in getting the assured to agree on their figures. He reports there is every evidence that good relations have been created between the insuring public and insurance companies by the way in which the Mississippi Gulf Coast claims have been handled. The Mississippi Coast Underwriters Assn. passed a resolution at its November meeting commending the company, bureau and independent adjusters for their excellent service in settling losses and creating

good public relations. They extended Mr. Miazza a vote of thanks for his work in putting the adjusting machinery into operation.

McElveen Adjustment Firm Enlarges Staff, Opens New Office at Jacksonville

The Thomas M. McElveen Adjustment Co. of Miami has opened an office at 231 West Adams street, Jacksonville, with H. E. Murphy as adjuster in charge. Mr. Murphy was special agent for Continental from 1926 to 1930 and was later general agent for Millers National and Monarch.

M. R. Sharpe of the Miami office has been named manager at Lakeland, Fla. The firm has opened a marine department with Louis Maartin as manager. Mr. Maartin has been with Automobile

of Hartford for 13 years.

The company has moved to larger quarters in the Calumet building at Miami and has added several persons to its staff. Following the Florida hurricane, the McElveen Co. adjusted about 3,000 losses and closed 90% of them within 60 days after the storm.

William Burgess, who has been with Dargan & Co., has joined the staff as casualty claim man, and Patrick J. O'Connor, who has been with Aetna Casualty, has joined the casualty department.

Edward M. Schoen, who has been with General Adjustment as loss supervisor, has joined the home office staff. Richard Casler has joined the fire claims department. He has been with Travelers. B. C. Reed, who has been with General Adjustment, has been named in charge of the fire and allied lines loss department at West Palm Beach.

Eberle Named Manager of Ocean Marine Claims

George C. Eberle becomes manager of the ocean marine claim division in the New York office of Automobile and Standard Fire. He has had more than 20 years' experience in handling ocean marine claims, having joined Automobile's Beaver street office in 1926 and being transferred to the William street office in 1933.

Promote Xmas Tree Safety

The Muncie, Ind., board has made an appropriation toward the purchase of flame-proofing material to treat Christmas trees in the city.

The solution has been placed in a large tank at the central fire department, and citizens may bring their trees for dipping. Local merchants are co-operating in the program.

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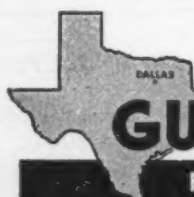
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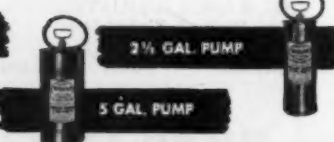


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I. U. B. To Vote on Change to Advisory Rating Group Status

MIAMI BEACH—Interstate Underwriters Board is holding a meeting of its membership Dec. 18 to vote on a proposal to convert itself into an advisory rating organization, and if this is ratified Manager John R. Dumont will proceed to get I. U. B. licensed in as many states as possible to provide advisory service to the rating bureaus on multiple location risks, both interstate and intra-state. This was disclosed by Mr. Dumont at a meeting of the interstate rating committee of N.A.I.C., headed by Forbes of Michigan.

Much of the ensuing discussion was of a confusing nature, and as one observer put it, some of the time it sounded like three radio programs coming through simultaneously.

Charles Butler of North America said that right along he has advocated converting I.U.B. into a national rating organization for multiple location risks, but the governing committee decided in favor of the advisory program. If it turns out that I.U.B. is required in several states to become licensed as a rating organization rather than an advisory bureau, then he said the only logical decision would be to go as a rating organization everywhere.

Chase Smith of the Kemper organization inquired whether I.U.B. intends to put out a set of rules, forms and rate modifications for all members of the state rating bureaus or simply for I.U.B. members. The answer was that if the state bureau promulgates what I.U.B. advises, this will be available to all members and subscribers of the state bureau, and deviation filing could be made.

Barry Pleads for Elasticity

John R. Barry, president of Corroon & Reynolds, pleaded for elasticity in the setup. He indicated a fear that the advice of non-I.U.B. companies would get little consideration in the rating bureaus. He contended that the big buyer of insurance will not tolerate being put into a straitjacket and that a system to comport with the new rating laws might result in sending big assured to London for accommodations.

Charles J. Timbers of Wisconsin asked how the companies expect to handle multiple location underwriting after Jan. 1 when the new rating laws become operative. Mr. Dumont, in his reply, seemed to indicate the hope that the individual states will act promptly on the submissions that he will make following the Dec. 18 meeting.

Suggests Early Follow Up

Chase Smith suggested that a meeting of the Forbes committee might be held after this program is unveiled, so that the individual commissioners would have the benefit of the consensus of the committee.

Mr. Dumont emphasized that the I.U.B. program is identical to the statements of principle that were fashioned by the industry interstate committee from 1942 to 1945 except that I.U.B. does not propose to include non-stock companies in its membership. The governing committee desires to have I.U.B. continue to operate just as closely as possible to its previous plan, but within the framework of the new laws.

There was considerable discussion as to whether the industry or the commissioners should take the lead in advancing a positive program. The commissioners felt that the industry should say what it wants to do, but some of the industry people asked that the commissioners first indicate how far they would be willing to permit the industry to go in handling multiple location risks as a class.

Commission Issue Before N.A.I.A.

(CONTINUED FROM PAGE 6)

joined the party, which included cock-tails at one bright spot and at another stone crabs, turtle soup, pompano, and squab. Many of the committeemen were accompanied by their wives. Those from headquarters were Frank Colridge, Walter Bennett, George Fairleigh, and H. E. Farrer, head of the educational division who wound up at Miami after "putting on a show" at various Florida cities in company with W. P. McCord of Jacksonville, chairman of the educational committee. Mr. McCord was also present at the Miami meeting along with Ernest Young of Charlotte, a member of his committee; Harry Minister of Columbus attended as chairman of the finance committee and S. G. Ostot, manager of the North Carolina association, sat in. Several Florida leaders also attended, including B. D. Cole of West Palm Beach, state president, and John Mumford, president of Greater Miami Board.

Stott Dubbed "Captain Bligh"

Mr. Stott earned the appellation "Captain Bligh" because he kept the group in session day and night Saturday and Sunday morning and the only one that got to have any fun was Mr. Minister who got up for a swim at 7 a.m. before the meeting started.

Frank Colridge reported that the Roy Duffus committee will hold another conference with casualty company representatives after Jan. 1 on the long haul truck market problem. The first such conference was held Oct. 16.

John Mumford of Miami gave a resume of the conference of Florida agents with fire company officials on the windstorm market problem on the lower east coast.

Puerto Rico Industry Group at N.A.I.C. Meet

Puerto Rico was represented at the N.A.I.C. Miami Beach meeting by Commen from the industry, Alvaro Calderon, manager, and Teddy Gonzaless, an official of Puerto Rico American Ins. Co., and José L. Hernandez of the agency of Lippitt & Simonpietri, representing U. S. Casualty, Fidelity & Deposit and National Fire, and Alfredo Ortiz Jacobs of Inter-American Insurance Agency, representing American Surety and Rhode Island. Some day Puerto Rico would like to have the N.A.I.C. convention. The Hilton chain is putting up a \$3 million hotel there that will be completed in 18 months and that would be the spot. The Puerto Ricans made the trip by air in four hours.

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NEWS OF FIELD MEN

Schoellhorn, Hubbell in Northern Posts

Northern Assurance has appointed August C. Schoellhorn manager of the St. Louis service office. He succeeds R. Y. Dievendorf, who is resigning to enter the agency business at Pontiac, Ill. Mr. Schoellhorn has been in insurance work since 1923, starting as policy writer in the John H. Feckter agency at St. Louis and was office manager there when he resigned to go with the Laclede service and for three years was in the administrative branch of the army. Late in 1945 he joined the St. Louis office of General of Seattle.

New Indiana State Agent

Robert G. Hubbell has been named Indiana state agent for Northern, succeeding Lawrence R. Taylor, who is resigning to enter the agency business.

Mr. Hubbell has been active in insurance for 20 years. He is a graduate of Kenyon College, Gambier, O., and attended the Harvard graduate school of business administration. He started as a map clerk in the western department of Springfield F. & M. and six years later became district inspector for National Inspection Co. In 1941 he was appointed special field engineer and improved risk underwriter of National Fire and in 1944 became manager of the fire and marine department of the Indianapolis agency of Stone, Stafford & Stone. He has had wide experience in fire and allied lines, including sprinklered risks and special hazards, and inland marine, on both company and agency ends.

Moore Reports to Pond on Mississippi Wind Storm

SALT LAKE CITY—The Utah-Idaho Blue Goose heard a talk by A. E. Burgener, Transportation Agency, chairman of the examination committee which will conduct proceedings incidental to issuance of agents' licenses under the new state insurance code. He reported agents' examinations would be held at stated intervals. The first was Dec. 8.

K. D. Moore, General Adjustment Bureau, related experiences in settling claims due to wind and wave damage caused by the great storm of Sept. 19 in Mississippi. He said losses were tremendous, and he complimented insurance companies for "an exceptionally fine job performed." He also praised the National Board's catastrophe committee, under the direction of Don Sherwood. The pond will hold its Christmas party Dec. 20, and the mid-winter stag and initiation ceremonies Dec. 29.

Several Royal-Liverpool Changes in Western Area

Charles A. MacNeill, former special agent for Royal-Liverpool in Montana, has been transferred to Salt Lake City and appointed state agent with supervision over Utah, southern Idaho and eastern Nevada. He succeeds C. W. Lundquist, who recently resigned to enter the local agency business at Boise.

Allen A. Lindholm has been appointed special agent working with Mr. MacNeill with headquarters in Boise. Mr. Lindholm succeeds J. Bernard Holden, who also resigned to go into the agency business at Caldwell, Ida.

William H. Pratt, formerly in San Francisco, has been appointed special agent to take over Mr. MacNeill's former Montana field with offices in Billings. He will work with W. E. Rae, regional manager.

Richard P. Cory and Vernon C. Gustafson have been appointed special agents, Mr. Cory at Denver and Mr. Gustafson at Albuquerque. They will

be under supervision of Richard B. Daniels, regional manager for Colorado, Wyoming and New Mexico. Mr. Daniels recently succeeded Richard White, retired.

Ash-Cota Tribe Meets

Thirteen members of the Iowa Ash-Cota tribe, an organization composed of veteran Iowa field men, met at Des Moines with Sterling Freeman of Omaha, chief of the group, presiding.

The organization is composed of 15 members who must have had 15 years of experience in the Iowa field. It is also necessary to have the unanimous approval of all living members to be eligible for membership. Two vacancies exist as a result of the recent deaths of O. J. Davis of Home and Harry A. Houghton of Firemen's.

S. F. Pond Honors Nason

Harry W. Nason, retiring secretary of America Fore, had some old experiences recalled by speakers Monday at a special luncheon tendered him by San

Francisco Blue Goose. H. V. Holman, assistant secretary America Fore, was chairman and started the nostalgic review with a brief account of his contacts with the guest of honor. Others who spoke were H. F. Badger, executive secretary Pacific Board; Elmer W. Bonstin, president Cal-Union Agencies; Guy C. Macdonald, Clyde Marshall, Aetna Fire, and Jack Piver, Piver Publications.

Jaeger Joins Springfield

Deane S. Jaeger has been appointed special agent of Springfield F. & M. for western Kansas, assisting State Agent Charles T. Nichols at Great Bend. Mr. Jaeger for some years was chief clerk of Rain & Hail Bureau at Wichita and more recently with the farm and hail department of Fireman's Fund at Topeka.

N. J. Get-Together Dec. 22

The annual get-together of New Jersey Special Agents Assn. will be held at Newark Dec. 22. Plans will be made for 1948.

Brown with Fire Assn.

James G. Brown, who has been covering Montana for John A. Whalley &

Co., Seattle, has joined Fire Assn. as special agent. He will continue in his old field, where he started in the business with the J. A. Duffy agency in Great Falls shortly after graduating from college in 1937.

Danville, Ky., Inspected

Kentucky Fire Prevention Assn. inspected Danville with 32 field men on hand. Harry K. Rogers talked before the schools, and there was a joint session with Kiwanis, Lions, Rotary and Chamber of Commerce. The new National Board picture, "Sins of Carelessness," was shown.

Anthracite Club Meets

The Anthracite Field Club of Pennsylvania will hold a combined November-December meeting Dec. 16 at Wilkes-Barre. There will be discussion of public relations activities.

Initiate 13 at Topeka

Thirteen goslings were initiated at the Kansas Blue Goose fall "splash" at Topeka. A report on the grand nest meeting was given by Most Loyal Gander Stiehl, London & Lancashire. About 75 attended.



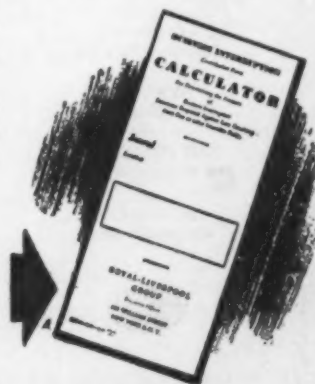
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ELECT YOUNG C.P.C.U. HEAD

Malcolm G. Young of Zurich has been elected president of the Chicago C.P.C.U. chapter. Donald M. Wood, Jr., Childs & Wood, is vice-president; Malcolm W. Burnett, Consolidated Underwriters Agency, secretary, and John J. Corbett, Joyce & Co., treasurer.

The officers will be installed at the Jan. 5 meeting, at which Harley W. Mullins, agency superintendent for National Fire, will discuss the premium adjustment endorsement for the gross earnings form of business interruption, slated to be adopted in Cook county soon.

CHIEF McAULIFFE TO SPEAK

Frank C. McAuliffe, chief of the Chicago Fire Insurance Patrol and president of International Assn. of Fire Chiefs, will give an address before the insurance membership group of the Union League Club Jan. 19.

RALPH LEARN TO BE ELEVATED

R. H. Learn, assistant western manager of Aetna Fire, will be elevated from esquire to knighthood at the annual meeting of the Knights of the Round Table Dec. 13 at the Union League Club, Chicago. The entertainment committee consists of Clarke Munn, Cook County Adjustment Bureau; R. E. Vernor, and R. D. Hobbs, Western Actuarial Bureau. A. F. Powrie, western manager of Fire Assn., is president and will preside over the deliberations.

BROKERS ANNUAL MEETING

The Illinois Brokers Assn. will have its annual meeting the latter part of January. The nominating committee will be appointed by President George S. Middleton.

NEW YORK

ACCOUNTANTS SLATE LAMBLE

John W. Lamble, North Star Reinsurance, has been nominated for president of the Insurance Accountants Assn. of New York. Other nominations include: Jeremiah M. Donovan, Travelers, first vice-president; George T. Dearborn, Potomac, second vice-president; David B. Cromie, Royal-Liverpool, third vice-president; Luther L. Hansell, Royal-Liverpool, executive secretary; George C. Whitenack, Pearl, assistant secretary, and Frederick W. Maasen, London Assurance, treasurer-historian. Slated for the executive committee are Edward G. Crapser, Pacific Fire and Robert C. Ratcliffe, Royal-Liverpool. These selections will be acted upon at the annual banquet Dec. 12.

BROOKLYN BROKERS INSTALLATION

Max A. Pulver was installed as president of the Brooklyn Insurance Brokers Assn. at a luncheon meeting by Thomas Morrill, deputy insurance superintendent in New York. Vice-presidents are Alfred I. Jaffe, William J. Kennedy, and Charles A. Merante; executive secretary, George Mutari; and treasurer, Edward A. MacCormack. Thomas J. Clark, retiring president, was named chairman.

Richard Rhodebeck, president of U. S. Life, spoke briefly and formally accepted the group A. & H. plan adopted by the association for its members. Although the required 50% have already joined, the enrollment period has been extended to give other members an opportunity to participate. About 170 attended the meeting.

COLLIN TO PHOENIX, CONN.

Charles A. Collin has been named assistant manager of the New York

Hartford. Mr. Collin has been with Marsh & McLennan since just before the war. He began with the New York Rating Organization, becoming special agent. After several years he went to New York City as a company manager. Frank M. Humphrey, assistant manager, will continue to supervise suburban affairs.

THREE SOCIETY COURSES OPEN

Registrations are now being taken by Insurance Society of New York for special evening courses in aviation insurance, reinsurance and use and occupancy loss adjusting which will start the third week in January. Students sign up at society headquarters, 107 William street. The number in each class will be limited and it is expected the rosters will be filled up quickly. Each of the three courses consists of a two-hour session one evening a week for 15 weeks. These are so-called "between-semester" courses given only once a year. The use and occupancy loss adjusting course is being presented for the first time and George S. Jones, General Adjustment, will give the greater number of lectures with the assistance of an accountant.

NORBRIT GUARDS CONVENE

The Norbrit Guards, 25 year service organization of North British, held its annual dinner with 79 members present. President Arthur J. O'Donnell presided. Reginald P. Stockham, assistant U. S. manager, a trustee of the association, represented the executive department.

Halsey Kent has been named to head the newly organized brokerage and service department of O'Brien & O'Brien agency. Mr. Kent has been in the business for 15 years with Mills & Honness and Charles D. Fraser & Co.

Charles F. Barrows has retired as manager of the insurance department of First Loan & Investment Co., Yakima, and is succeeded by Lyle Maskell, formerly of Spokane. Mr. Barrows, who entered the business at Yakima 30 years ago was tendered a luncheon by the Yakima Assn. of Insurance Agents of which he is a past president.

COMPANIES

New Preferred Stock of Firemen's Sold

A substantial portion of the cumulative preferred stock issue of Firemen's of Newark was taken by life insurance companies. The six that participated, Connecticut Mutual, Penn Mutual, Mutual Benefit, Reliance, Fidelity Mutual and Provident Mutual, each took between \$250,000 and \$500,000. The total issue was \$7 million at 4% and the other 13 purchasers included banks, trust companies and colleges.

Firemen's now has the money from the preferred sale. The common stock, which will make up only a minor part of the new financing, has been approved by the company board.

Firemen's is offering to stockholders of record Dec. 3, on a 2 for 31 basis, 120,462 new shares of common stock at \$10 each. Rights expire Dec. 16 and any unsubscribed shares will be purchased by the investment banking firm of Blyth & Co. of New York. This financing, together with the already completed private sale of 70,000 preferred shares at \$100 each, will produce gross proceeds to the company of over \$8 million.

Ill. Checks State Farm Fire

The Illinois department has completed an examination of State Farm Fire and reports as of Aug. 8, 1947, assets of \$3,273,032, total liabilities \$2,123,914, paid up capital \$300,000, surplus \$849,118 and surplus to policyholders \$1,149,118. The examiners describe the cash position as well maintained with assets consisting of diversified liquid securities. They report that in the period under review premium writings have increased considerably and the company has been equitable and prompt in treatment of policyholders.

The usual quarterly dividend of 40 cents per share on the new capitalization of 650,000 shares, payable Jan. 2, 1948, to stockholders of record Dec. 11, was declared by directors of the Glens Falls.



In 1869...

... American business suffered its first financial "Black Friday" and depression caused by a disastrous cornering of the gold market.

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INDUSTRY RECOMMENDATIONS

Ask End of Appleton Rule to Aid Multiple Line Underwriting

The industry committee on multiple line underwriting recommended to the N.A.I.C. committee on the same subject that New York should be induced to forego its powers under the Appleton rule, which forbids an insurer to provide any coverage in any state that it is not permitted to write in New York.

The report was read by Charles Butler of North America. The committee said the multiple line underwriting pattern is developing swiftly and the greatest single barrier to exercise of multiple powers is the Appleton rule. It is time to harmonize the laws of the various states. The committee recommended that states that have not yet done so, enact the full multiple line law with the requirement of \$2 million surplus for the privilege of being an omnibus insurer.

E. A. Meyers, Chicago lawyer, asked that the amount of surplus not be the sole test of eligibility. A company that reinsures much of its business on a pro rata basis should have the privilege even if its surplus is less than \$2 million.

The question was taken up of whether to establish some sort of a ratio of premium writings to surplus. Charles Butler spoke strongly against any legislation in this direction. Such a ratio, he said, is simply one of the factors to be taken into consideration in weighing the solvency of a company. It is not in and of itself the only reliable thing to go by.

Chase Smith, Lumbermen's Mutual Casualty, remarked that a company could cut its rates and look good by such a ratio despite the fact it was heading for bankruptcy, whereas a company that undertook to improve its position by increasing rates would be worse off for the moment under such a ratio as was being discussed.

There was no attempt to pursue the matter further.

Colo. Agents to Protest Commission Slices

A letter to Colorado agents recommending that they protest any cuts in commissions in that territory has been sent by Allen Beck, president of the Colorado agents association.

Cal. Auto Group Elects

LOS ANGELES—The Automobile Conference of Southern California has elected as president Broox Davis, American Motorists; vice-president, F. M. Ginder, United Pacific; secretary-treasurer, George T. Conklin, Pacific Indemnity.

DEATHS

Horace T. Smith, 38, fire adjuster associated with Wagner & Glidden, Chicago, died last week due to an unusual cause. He was cleaning a garment of his young daughter with carbon tetrachloride and inhaled a considerable amount of the fumes. He became ill and died two weeks later. Mr. Smith was connected with Wagner & Glidden for two or three years before entering the Seabees in the war and serving in the Pacific area. He returned to Wagner & Glidden after being mustered out of service.

H. C. Colegrove, 52, Detroit local agent, died at his home. He was a native of Benton Harbor, Mich., and went to Detroit in 1915.

Thomas J. Bosquett, 72, senior member of the prominent Detroit agency of Bosquett & Co., died there. A native of New York, he went to Detroit 65 years ago.

N. Y. Adjusters' Party

NEW YORK—The Adjusters Round Table will hold its annual Christmas party Dec. 22 at the New York Chamber of Commerce. Alan Bolles of General Adjustment Bureau is handling the reservations.

Palmer to Fireman's Fund

Bradley Palmer, son of Ernest Palmer, former Illinois insurance director, recently joined Fireman's Fund at the home office.

Texas Golden Jubilee

The golden anniversary convention of Texas Assn. of Insurance Agents will be held at Waco May 21-22. Waco is where the association was organized in 1898 and where the first annual convention was held in 1899.

Vice-president Champe Fitzhugh, Waco, and Alfonso Johnson, manager Dallas Insurance Agents Assn., are lining up material on the early days of the association for a 50-year history.

Cooley Is Named Director

Francis B. Cooley, formerly senior partner in Francis R. Cooley & Co., was elected a director of Aetna Life, Aetna

Casualty and Automobile, succeeding John J. McKeon, who died in November.

Mutuals Slash Dividends

Mill Owners Mutual Fire effective Feb. 1 will suspend dividends on general business other than dwellings and apartment and their contents on which dividends will be 15% and 10% on one year and term policies respectively.

Pennsylvania Lumbermens Mutual Fire is reducing the rate of return to 10% on all general classes and 15% on lumber lines.

Fleming Addresses Students

T. Alfred Fleming, director of conservation of National Board, addressed engineering and architectural students at Catholic University in Washington, D. C., on the board's building codes. His talk was one of approximately 50 he makes each year at colleges throughout the country to inculcate fire prevention ideas in the minds of the nation's future engineers and architects.

Atlanta Agency Sold

The Moore-Fletcher agency of Atlanta has been sold by Wiley L. Moore

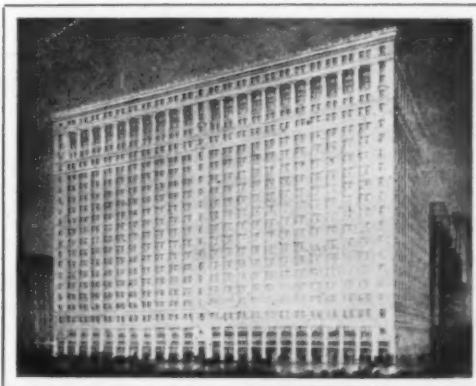
and John Z. Fletcher to I. G. Hailey, W. F. Arrington and H. M. Johnson. Mr. Hailey becomes president; Mr. Arrington, vice-president, and Mr. Johnson, secretary.

Xmas Party for Orphans

MILWAUKEE—Gilbert A. Diehl, Business Men's Assurance, has been named chairman of the Christmas party which Accident & Health Underwriters of Milwaukee will give Dec. 30 for several hundred orphans from the Milwaukee County Children's Home. At the December meeting, J. R. Brandsnark, superintendent of the home, told how much the children appreciate this annual event.

Julian Speed Honored

Julian Speed, veteran special agent of Royal-Liverpool, who is retiring Jan. 1, was honored with a luncheon at Fort Worth. He was presented a set of matched golf irons and a dozen golf balls. Mr. Speed has been a field man in Texas for 40 years, 10 years with Gross R. Scruggs & Co., Dallas general agents, and 30 years with Royal-Liverpool. He has been manager of the Fort Worth office of Royal-Liverpool since it was established in 1938.



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EDITORIAL COMMENT

Underinsurance Is Still With Us

The "News-Herald", daily newspaper of Hutchinson, Kans., recently printed an editorial built around the fact that the local board of education in a reappraisal of its buildings had found insurable values almost doubled. The newspaper commented: "Now while government business notoriously is slipshod in comparison to private business, at least the branch of government represented by the local school board has set an example of wise stewardship that many private managements are yet to follow." What the editorial writer might have gone on to say is that many private managements have yet to follow the procedure, because their insurance agents have not reminded them that a reappraisal is necessary. Such a newspaper article is an indirect indictment of the whole insurance industry on the grounds of negligence.

The editorial goes on to explain with a cogent example how much an insured

will suffer who is carrying coverage based on the values of several years ago in view of the operation of coinsurance penalties. The tragedy of underinsurance is so widespread that laymen who write newspaper articles and own buildings are aware of it. In this case, the local newspaper considered it to be its duty to warn property owners to check their insurance values. Is this not a commentary on the laxness of insurance agents in the community? The duty to inform policyholders of increases in value and to see that policies are re-written is theirs, not the newspaper's. Some of the agents have been derelict in this duty in Hutchinson, and we can be sure that the same condition exists in almost every community in the land. The insured public needs the agent's help. Start going over the list of your policyholders today and help them reappraise their property before it is too late.

F.U.A. Aids Farmers and Vice Versa

The intangible nature of public relations usually makes it difficult to assay the value of a particular public relations campaign. That's what made an unusual affair of the banquet recently given at Chicago by Farm Underwriters Assn. for 4-H club members and Department of Agriculture officials. From the unsolicited testimony of the guests, representatives of F. U. A. and Western Underwriters Assn. were able to gauge quite accurately the phenomenal success of a public relations service which they inaugurated in 1942. It was in this year that the member companies earmarked a fund to provide more than 100 scholarships in amounts ranging from \$100 to \$250 to help outstanding farm boys and girls attend agricultural colleges.

The awards are made on a pro rata farm population basis in the 15 states comprising W. U. A. territory through the three principal farm youth organizations, the 4-H clubs, Future Farmers and Rural Boy Scouts. The scholarship winners and their alternates are picked from farm youth who need the help by officials of these organizations in conjunction with the extension service of the department of agriculture which maintains headquarters at agricultural colleges in every state.

As each of the young farmers and farm organization officials rose to make a brief comment, the success of the pro-

gram became apparent. At the outset, the F. U. A. president had said that the letters from enthusiastic and grateful recipients of the scholarships were enough in themselves to repay Farm Underwriters Assn. However, the organization has obviously drawn value from its project far beyond this admittedly ample reward.

Several of the farm people commented that since their inception the F. U. A. scholarships have spread in fame until almost every farm family knows of them. A substantial number of farmers who formerly had no knowledge of the stock fire insurance industry have become aware of its existence through the F. U. A. awards. The organization is never hesitant about identifying itself clearly with the awards. The fact that scholarship winners and the other youths who yearly vie for the prizes are the future prosperous farmers and the insurance prospects speaks well for the future of the stock farm insurance industry.

A vital portion of the many faceted 4-H club work is accident and fire prevention on the farm. Considerable emphasis is placed on this by officials when evaluating prospective scholarship winners. The farm people at the banquet indicated that through the medium of the 4-H clubs alone, almost every farm in the central states has been surveyed for fire and accident hazards by eager

young 4-H members. Even more importantly, they reported that on most of the farms the recommendations of the youngsters have been acted upon, particularly where the farm children are club members. One of the farm leaders present told of a local 4-H group which found that many of the farms in its vicinity lacked fire extinguishers and that some of the farmers did not have the ready cash to purchase them. This 4-H club took funds from its own treasury and saw to it that every farm in the area was supplied with an extinguisher immediately. Would that adults were this serious about fire prevention.

Through the persistence of 4-H club members, farmers are much more conscious of hazards than they were a few years ago. This would seem to have a reasonably direct connection with the F. U. A. scholarship program. F. U. A. has in its file hundreds of survey blanks on farms filled out by 4-H members which are highly valuable data in a field not distinguished by accurate records for underwriting comparison. These would not have been in the files without the attention F. U. A. has paid to pushing

safety and fire prevention not only through its scholarships, but through its representatives and literature.

The F. U. A. role in this country's agricultural youth program was praised by two South Americans present at the banquet. They intimated that they were much impressed at this example of co-operation between agriculture and industry.

And so with a minimum of promotional fanfare and with the outlay of only modest sums of money, F. U. A. has been able to achieve what appears to be almost a perfect public relations campaign. Other organizations can do well to emulate this worthwhile and effective program.

If there is a lesson in the F. U. A. scholarship plan it is that to be a success a program must be a "natural," with an appeal which does not require artificial stimulation. It emphasizes the value of sharp focus to a public relations campaign. Here was no vague outpouring of words and dollars for broad and illly defined objectives, but here was instead complete concentration on one clear-cut end.

PERSONAL SIDE OF THE BUSINESS

Roy G. Houser, local agent of Miami, has been reelected president of the Salvation Army advisory board for Dade county.

Philip L. Johnson, American, president of Fire Prevention Assn. of Ohio, has been appointed vice-chairman of the newly created advisory council to the state fire marshal of Ohio, representing the insurance business.

John V. Cook, vice-president of F. D. Hirschberg & Co., St. Louis, is a grandfather once more. Victor Hencken, son of Mr. and Mrs. Herold F. Hencken, Kirkwood, Mo., is the newest grandchild.

Daniel J. McCarthy, comptroller of Phoenix of Hartford, has observed his 30th anniversary with the company.

George Goss, secretary-manager Tennessee Assn. of Insurance Agents, planned to attend the mid-year meeting of the Virginia association at Richmond, but got no farther than Bristol, Tenn., where his car ran off an embankment. Fortunately he escaped injury.

Whitney R. Whelpley, business representative of "United States Investor," has transferred his headquarters from Grand Rapids to A-1808 Insurance Exchange building, Chicago.

Roy A. Dufus, secretary of the James Johnston agency, Rochester, N. Y., has been elected as a trustee of the Rochester Chamber of Commerce.

Many of those attending the N.A.I.C. convention enjoyed the football game Saturday evening in **Miami's Orange Bowl** to determine the top Negro college team in the south. To make things right Florida A. & M. of Tallahassee turned in a 7-0 victory over Hampton

Institute of Virginia. Commissioner Larson of Florida was a much-photographed spectator, as he has given Florida A. & M. many an assist in his capacity of state treasurer. The northerners were fascinated by the antics of the players, particularly Florida's center who staged something of a war dance as he approached the ball whenever his team was on the offensive. Another remarkable feature was the fact that while both teams were ferocious in their attack there was not a single casualty.

Oscar Carlson, Utah commissioner, whose health has been uncertain for several months, has sufficiently recovered his strength so that he was able to attend the N.A.I.C. convention at Miami this week.

DEATHS

Levi B. Hoke, local agent at Elizabethtown, Ky., died at his home.

John Schmied, 73, former treasurer of Falls City Mutual Fire of Louisville, died there.

M. Hollister, 74, with Farmers Mutual of Des Moines for 35 years, as special agent and supervisor, died following a two-month illness.

Frank M. Ames, local agent of Troy, N. Y., and commissioner of public safety there, died after an illness of several months.

W. C. Helwig, special agent for National Fire at Great Bend for western Kansas, died there from gunshot wounds suffered in a hunting accident. For many years he was chief underwriter in the Kansas service office of the group at

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Topeka and later traveled eastern Kansas, being transferred to western Kansas about a year ago.

James A. Speer, 61, special agent of the National Board, who had been in the Virginia field for more than 18 years, died at Richmond.

Mr. Speer worked as a mining engineer in the west from 1906 to 1914, and then entered the Canadian Intelligence Service. He later located in Purcellville, Va., and joined the National Board in 1929.

Louis H. Hoffmann, 46, for nearly 20 years a prominent broker in Boston, connected with the John C. Paige & Co. agency, died at his home in West Roxbury, Mass. He had been active in a number of insurance organizations and held important political offices, serving as military aide to Governor Tobin, major in the Massachusetts state guard, and for several years a member and one time chairman of the state racing commission.

Col. J. H. Johnson, renowned insurance agency leader of Mississippi who served for a time as insurance commissioner in about 1935, died at his home at Clarksdale early Tuesday morning. His



JAMES H. JOHNSON

age was 80. The news reached his son, O. Shaw Johnson, who is a member of the executive committee of National Assn. of Insurance Agents, at Miami Beach, where he was attending the meeting of the National Assn. of Insurance Commissioners, and he departed at 4 a. m. by plane for Clarksdale. He is the operating head of the agency there that was founded by his father.

Col. Johnson was a former president of Mississippi Assn. of Insurance Agents, and was one of the leading citizens of the state. He had considerable oil interests but he was known mainly as an insurance man. He owned extensive acreage at Hernando, Miss., and was a famed entertainer there. Announcement of his death was made at the N.A.I.C. convention by Commissioner White of Mississippi and the association voted to send flowers to the funeral.

John E. Hinch, 63, former Lockport, N. Y., local agent, died at Buffalo.

Kansas City Agents Up in Arms on Commission Cuts

KANSAS CITY—It is understood that the Insurance Agents Assn. of Kansas City at its annual meeting Dec. 16 will introduce a resolution protesting the action of W.U.A. through its member companies in cutting commissions on extended coverage effective Jan. 1.

In certain quarters in Kansas City the

feeling exists that this action on the part of the companies is in violation of federal statutes and the change in Missouri is unfair discrimination. Inasmuch as there is such a great variation between the commission scale in Kansas City and St. Louis, the agents feel this is against fair trade practices. Even though there has been a wide variance in commissions on fire business between Kansas City and St. Louis, the latter an excepted city, the agents here have never lodged a protest until the agents began to get notice of cuts in E.C. commission and at the same time companies are negotiating with agents in St. Louis at 30% fire commission plus contingent for both supervising and sub agents.

It is indicated that unless W.U.A. and the companies eliminate the great differential existing between the two major cities in Missouri it may be that Washington will be asked to examine the situation.

Department May Assess Urban Mutual Policyholders

Liquidation has begun of Urban Mutual Fire of Harrisburg by the Pennsylvania department. The company was organized in 1903, and did a local fire business until 1946, when it entered the automobile casualty field, which action is blamed for its failure. Premiums in 1945 amounted to \$108,155.

Department officials note that the policies are assessable, and the assessment options may have to be invoked during the liquidation process. All policies have been voided by the court which ordered the firm dissolved.

Thomas A. Butler, who died last March, was president of the firm. His wife, who is secretary-treasurer, has been in charge since his death. Harry E. Cuppett, Bedford, is vice-president.

The Dec. 31, 1946, statement showed the company had assets of \$50,407 and a surplus of \$26,586. Liabilities were \$23,820.

Ky. Insurance Men Seek to Reason with State

LOUISVILLE—It is understood an effort may be made by interests representing companies writing fire and windstorm insurance at the coming session of the Kentucky legislature to induce the state to abandon its policy of carrying a part of its own insurance and again place it with the agents. Under the present set up the state has around \$1,250,000 in its insurance funds. It owns about \$41 million of buildings and self-insures up to \$200,000 on state owned buildings, insuring in private companies over that amount on buildings worth more than \$200,000.

Risks are not well scattered and a big loss could wipe out the entire insurance fund. Frequently there are too many buildings in a single group, where a loss of several hundred thousand dollars easily could be suffered.

Astfalk Joins F. & G. in Pa.

William W. Astfalk has joined Fidelity & Guaranty at Philadelphia as special agent.

Mr. Astfalk started in 1929 with Pennsylvania Fire and in 1942 joined American at Philadelphia. Since the war he has been with Pearl American as Philadelphia service department manager.

The Philadelphia office of Fidelity & Guaranty has moved to larger quarters on the fourth floor of the U. S. F. & G. building.

Special Risk Men to Meet Jan. 30

The annual meeting of the Western Conference of Special Risk Underwriters has been set for Jan. 30 at Chicago.

The executive committee of the Tennessee Assn. of Insurance Agents is scheduled to meet at Nashville Friday with Sam Chester, Chattanooga, presiding as chairman.

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N.A.I.C. Executive Committee Takes Up Many Matters

Casualty Groups Submit Plan for Simplified Premium Tax Procedure

MIAMI BEACH — The first formal session of National Assn. of Insurance Commissioners in the form of a meeting of the executive committee was held Sunday afternoon here with slim attendance due to the conflict of a beautiful day and the siren call of the beaches, golf courses, and just plain benches in the sun. David Forbes of Michigan presided as chairman of the executive committee.

The executive committee was unable Sunday afternoon to select the place for the June meeting and the question was referred to a subcommittee, which had reached no decision on Wednesday. Philadelphia was strongly in the running but there was some sentiment for Bretton Woods, N. H.

Secretary W. P. Hodges, North Carolina, read a communication from Harrington of Massachusetts expressing regret that since the death of Clarence Hobbs the commissioners no longer receive reports on progress in workmen's compensation rate making. Mr. Hobbs was representative of N.A.I.C. on National Council on Compensation Insurance and each year he furnished an enlightening report on compensation developments. Mr. Harrington said the lack of such reviews leaves the commissioners in the dark on developments and tends to cause individual states to go off on tangents because they are not informed as to the national picture. He urged that consideration be given to ways and means of providing such reports, suggesting as a possibility that this might be a project for the proposed central office. This was referred to the workmen's compensation committee.

Mr. Hodges read a communication from C. G. Vanderfeen, National Surety, transmitting a proposal from Assn. of Casualty & Surety Companies and National Assn. of Casualty & Surety Agents on uniform state premium tax returns and payments. This was referred to the blanks committee.

The Vanderfeen committee stated that the state requirements are chaotic and varied in respect of the simple problem of paying taxes based on premiums to each state. These diverse requirements result in "complete frustration to company accounting officers . . . tremendous waste of time and expense in preparing unnecessarily detailed tabulations and paper work in company offices," and delay in reports and payments.

Since every state now levies premium taxes on direct business only or on direct business plus any unauthorized reinsurance assumed, it seems perfectly possible for a single simple form to be designed which would eliminate 95% of the work in company offices.

The committee makes definite suggestions as to size of tax form, color, number of copies (one), number of pages (one), signature to be required by only one corporate officer, report premiums for all lines of business combined unless there is a variation of tax by line; eliminate any requirement for including figures on losses if that does not affect taxes, require no subdivision of taxable premiums by subdivisions of states; separate tax returns from any requirement

(CONTINUED ON PAGE 22)

Details Changes Produced by Rating Legislation

NEW YORK—With the advent of rate regulation in many states previously without it, the work of the National Council on Compensation Insurance has become heavier and more varied, General Manager W. F. Roeber brought out in his report at the annual meeting.

The two members of the governing committee whose terms expired this year were reelected and members of the rates committee and the board of appeals also were reelected.

In the past year the council has been licensed as a rating organization in Arkansas, Georgia, Indiana (for occupational disease and employers liability), Iowa, Kentucky, Maine, Nebraska, New Hampshire, South Carolina, Utah and Vermont.

Rating organization licenses had previously been obtained in Alabama, Connecticut, Florida, Kansas, Maryland, New Mexico, South Dakota, Tennessee and Texas (for EL).

The council has also qualified as an advisory organization in Alaska, Hawaii, Illinois, Michigan and Montana.

Rate Level Correction

It was suggested by the National Assn. of Insurance Commissioners that the council continue its study of the general question of a rate level adjustment factor giving overall recognition, state by state, to the aggregate effect of factors which produce underwriting results either better or worse than those contemplated by the rating procedure. The council rates committee Oct. 16 approved the general principles of a program recommended by its actuarial committee and referred it to the special committee to meet with committee of N.A.I.C. for further study and report.

The special committee adopted the following program:

Program of Council

- Determine by state and on the basis of earned premiums and incurred losses reported in the casualty insurance expense exhibit, the loss ratio for the two latest calendar years combined.
- Determine by state an adjusted permissible loss ratio, such adjustment to recognize the offset to the expense constant included in basic manual rates. This adjustment is required because the premiums reported in the casualty insurance expense exhibit include the premium derived from the expense constant.
- If the difference between the calendar year loss ratio determined in (1) and the adjusted permissible loss ratio determined in (2) is two percentage points or less, the over-all rate level correction factor shall be 1.000.
- In all other cases the over-all rate level correction factor shall be such as to produce a 1.0% change in rates, subject to a maximum departure of 5.0%, for each two percentage points above or below the neutral zone established in (3) above.

Interstate Experience Rating

In recent years the industrial trend has been toward the decentralization of manufacturing operations, Mr. Roeber said. This trend has resulted in a separation of individual operating units and the reestablishment of such units as subsidiary divisions in various sections of the country. In addition, there has been a trend to merge or absorb small independent units and maintain these units as divisions of a parent organization. This decentralization of industry and the reerection of subsidiary divisions, together with an accompanying increase in premium volume, has created a demand for a method of rating which will effect an over-all adjustment based on

the combined interstate experience of the individual risk. This is consistent with the new legal concept of insurance as interstate commerce.

Briefly, the council program provides that a risk shall qualify for interstate experience rating if it qualifies for rating on an intrastate basis in any one state which has approved the program. The average experience modification developed on the individual risk's combined experience will be applicable in all jurisdictions in which interstate rating applies. Such experience modification will apply also to any new operations undertaken in jurisdictions which have approved the program.

Council Is Clearing House

The council acts as a clearing house and uses a notification of coverage form, which is filed by the carriers on risks subject to interstate rating, to determine the administrative jurisdiction that will sponsor the rating of the risk. The sponsoring bureau and the participating bureaus are furnished with a copy of such notification of coverage in order that all individual state experience may be directed to the sponsoring bureau for the development of the average experience modification. The sponsoring bureau notifies the carrier and all participating bureaus of the modification applicable and furnishes all interested parties with copies of the rating data.

As of Nov. 15 interstate experience rating has been approved in Arkansas, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, Rhode Island, South Carolina, Tennessee, Wisconsin and Vermont.

With rate regulation for other third party lines, in addition to compensation, the need for an actuarially sound as well as practicable plan for more closely relating insurance cost to the requirement of the individual risk, becomes of increasing importance. To meet this demand on the part of both assured and carriers, committees of the council have developed a supplement to the retrospective rating plans now in existence, known as plan D. Plan D is an optional interstate retrospective plan for rating all third party liability lines, including compensation, on an over-all basis.

Setup for Plan D

Any filings of this plan made by the council have been as respects workmen's compensation or employers' liability only. The following is a list of jurisdictions and lines of insurance for which it is deemed permissible to apply plan D when properly filed and made effective in accordance with the statutes of the several jurisdictions.

Jurisdiction	Line of Insurance
Alabama	W. C., Genl. Liab. & Auto Liab.
Alaska	Gen. Liab. & Auto Liab.
Arizona	Gen. Liab. & Auto Liab.
Arkansas	W. C., Genl. Liab. & Auto Liab.
Calif.	W. C.
Colorado	W. C., Genl. Liab. & Auto Liab.
Conn.	W. C., Genl. Liab. & Auto Liab.
Delaware	W. C., Genl. Liab. & Auto Liab.
D. of C.	W. C.
Florida	W. C., Genl. Liab. & Auto Liab.
Georgia	W. C., Genl. Liab. & Auto Liab.
Hawaii	W. C., Genl. Liab. & Auto Liab.
Idaho	W. C.
Illinois	Gen. Liab. & Auto Liab.
Indiana	W. C., Genl. Liab. & Auto Liab.
Iowa	W. C., Genl. Liab. & Auto Liab.
Kansas	W. C., Genl. Liab. & Auto Liab.
Kentucky	W. C., Genl. Liab. & Auto Liab.
Louisiana	W. C., Genl. Liab. & Auto Liab.
Maine	W. C., Genl. Liab. & Auto Liab.
Maryland	W. C., Genl. Liab. & Auto Liab.
Mass.	W. C., Genl. Liab. & Auto Liab.
Michigan	W. C., Genl. Liab. & Auto Liab.
Minnesota	W. C., Genl. Liab. & Auto Liab.
Miss.	Gen. Liab. (incl. emp. Liab.) & Auto Liab.
Missouri	W. C.
Nebraska	W. C., Genl. Liab. & Auto Liab.

(CONTINUED ON PAGE 22)

Arkansas Agents Map Fight for Stiffer Standards

Attack Assigned Risk Plan. Plot Member Drive at Mid-Year

By HENRY A. RITGEROD

LITTLE ROCK—Arkansas Assn. of Insurance Agents at its mid-year meeting voted to hold a series of group meetings in January and February, 1948, as the opening of a renewed membership

drive and to begin formulation of a new qualification measure to be offered to the 1949 legislature. The association also voted to underwrite the expenses of the University of Arkansas insurance short course to be held in Fayetteville, Aug. 16-21, 1948, sponsored jointly by the association and the Arkansas Fieldmen's Club.

During the business session, President S. W. Creekmore, Little Rock, scored the Arkansas assigned risk plan because the assured is allowed no preference as to the type of carrier in which his risk may be assigned, stock or mutual.

"My advice to you is to forget the plan until something can be worked out on it," Mr. Creekmore continued, "and as you saw in the last issue of 'Casualty Insurer,' the National Assn. of Insurance Agents through our request, is trying to work out a better plan. When the assigned risk plan was first suggested we recommended that it be divided into two plans, one for mutual and one for stock, similar to the workmen's compensation pools."

Van Howell, Fayetteville, general chairman of the joint seminar committee of agents and company men, explained the seminar plans of his committee which has been working closely with Dr. Lowell C. Yoder, University of Arkansas. Prior to the meeting, the committee approved the tentative program submitted by a sub-committee on program.

"The General Economic Situation and Its Relation to Placing of Insurance" was the address by Dr. Yoder.

Paper Emergency Faces Insurance

"The truth of the matter is that the so-called insurance emergency is not an emergency at all," he said. "Even though the balance sheets of some of the companies may indicate a condition approaching insolvency, the companies have cash and resources to meet all anticipated liabilities. The insurance companies are not broke," he continued, "they merely seem to be in a bad way because they are legally compelled to keep their books and use an accounting system different from any other business that I know about."

"If any service concern on earth is legally required to treat all expense as applicable to the period when the sale is made and is required to take up income on a time basis, big paper losses are bound to result during a period of booming business," the speaker said. "At the American Accounting Associa-

(CONTINUED ON PAGE 23)



Van Howell

HEARING DEC. 17

Miss. Bars Policy Fee, Pro Rata Fractional Term

The Mississippi insurance commission is holding a hearing at Jackson Dec. 17 on its order barring the use of membership or policy fee or any other charge that is made for delivery of a policy that is not subject to tax, premium reserve liability and refund to policyholder on cancellation. This is applicable to all forms of insurance over which the commission has jurisdiction and hence is not applicable to A. & H.

A companion ruling requires any policy written for a fraction of a year to take a premium that is on a short rate basis, for instance a six month policy would require a premium 60% of the annual rate.

State Farm Mutual Automobile has asked for a postponement of the hearing, so the commission Dec. 17 will hear any others that desire to be heard and then will adjourn the hearing until a later date for State Farm.

State Farm, it is said, is the principal company involved since it operates with a membership fee the first year, which is fully earned when collected and which is not treated as premium for reserve purposes. Also State Farm features a six month policy, the premium for which is one-half the annual rate.

The recently organized Southern Farm Bureau Casualty of Jackson has desired to operate on this plan.

Ohio Independents Form Rating Organization

HAMILTON—The Ohio Bureau of Casualty Insurers, a corporation not for profit, has been organized by a group of independent casualty companies operating in Ohio with temporary headquarters in the First National Bank building here. It will file casualty insurance rates for member companies under the state rate regulatory law.

Trustees are: Ohio Casualty, R. H. Miller; State Automobile Mutual, R. C. Kaufman; Buckeye Union Casualty, I. L. Morris; Beacon Mutual Indemnity, L. H. Grimstead; Shelby Mutual Casualty, J. M. Crawford; Ohio Farmers Indemnity, Charles Bishop, and, Hoosier Casualty, V. M. Ray.

The officers are Mr. Miller, president; Mr. Bishop, vice-president; Mr. Morris, treasurer; F. K. Vaughan, who is local manager of Underwriters Service Assn., secretary; Lenora Pabst, assistant secretary-treasurer.

Beacon Mutual, State Automobile and Buckeye Union have been appointed to the motor vehicle committee. Mr. Miller has been working with this committee and it will file automobile rates for member companies with the state in a few days.

The general casualty committee, consisting of Ohio Casualty, Buckeye Union, State Automobile and Ohio Farmers is working out the filing for general liability, burglary and plate glass lines.

Issues Mail Order Warning

Commissioner Sullivan of Washington has called on newspapers of his state to carry a warning against the purchase of mail order insurance. Mr. Sullivan said he noted an increase in the volume of direct mail solicitation from unauthorized carriers. He said he also has received requests from producers, through their associations, to use his influence in curbing the purchase of mail order insurance.

He urged as a basic safeguard that purchase of insurance of any kind be made only through licensed agents and brokers.

Mutuals Filing Liability, Auto Retrospective Plan

The mutual companies have filed their retrospective rating plan for liability and automobile, to fit the retrospective workmen's compensation rating plan, in a number of states, and it has been authorized in several states. The plan calls for a graduation of 5% in administrative and acquisition expenses on the \$4,000 above \$1,000 and 10% on premium amounts above \$5,000.

In some respects the mutual retrospective rating plan for liability and automobile varies from plan D, which is the stock company retrospective rating plan on these lines. The two plans use the same excess pure premium tables, and they have the same interstate feature. The only difference is that the mutuals have a fixed expense factor whereas under the stock company plan the expense factor is set up as a method of calculation and insured can select the maximum and minimum premium.

Say Pa. Will Be Aviation Safety Testing Ground

HARRISBURG—Insurance companies writing airplane coverage have designated Pennsylvania as a testing ground during 1948 for the recently adopted code of safety practices in airport operation, it was announced at the annual meeting here of the Pennsylvania Aviation Trades Assn.

Jerome Lederer, Aero, representing the air insurance underwriters, discussed the recent high accident rates in aviation with the airport operators.

Other speakers said the operators face losing aircraft insurance entirely unless the accident trend, particularly at schools, changes downward. It was pointed out that the average airport operator cannot buy new planes without financing them and that they cannot be financed unless insurance is available.

Harold D. Swank, retiring president, said that five of the eight major companies writing aviation were threatening to withdraw from that field because of heavy losses, and predicted that success of the code of safety operations may be a decisive factor during the next year in the continuation of aircraft insurance at reasonable rates.

Lunch for Insurance Press

The Assn. of Casualty & Surety Companies was host to members of the insurance trade press at a luncheon at the Bankers Club. J. Dewey Dorsett, general manager of the association, presided. Richard V. Goodwin, Fireman's Fund, president of the association; W. E. McKell, president New York Casualty and vice-president of the association; Frank A. Christensen, president of America Fore; J. M. Haynes, U. S. manager of the Phoenix-London group; William Leslie, general manager National Bureau of Casualty Underwriters; Ray Murphy, general counsel of the association, and Martin Lewis, general manager Surety Assn. of America, spoke briefly or took bows.

New Rating Law Chart

A new chart analyzing salient features of casualty and surety rate regulatory laws has been compiled by the law department of Assn. of Casualty & Surety Companies and will be ready for distribution within a few weeks. It is intended to be used in connection with the rate regulatory laws contained in the loose-leaf book "Casualty and Surety Rate Regulatory Laws," published by the association, but separate copies will also be available.

Four tables will be included, showing scope and effective dates, filing and approval or disapproval of rates, rating and other organizations, and miscellaneous data.

Single copies may be obtained at 35 cents each, at the association offices, 60 John street, New York 7. Quantity prices will be furnished on request.

To Survey Mich. Surety Needs, Board Assured

LANSING, MICH.—An expert supplied by the Surety Assn. of America will conduct a survey of the state's surety bond needs, according to assurances given by the Michigan state administrative board by Michigan surety men. Such a survey was authorized by the 1947 legislature.

The surety group, in discussing proposals to alter the state's present bonding practices, objected to a suggestion of the board's finance committee that no "faithful performance" bonds henceforward be required of officials or employees, unless specified by statute. They maintained that in the cases of officials required to supply such a bond, similar bonds should be supplied by their subordinates.

The committee advocated that only employees handling cash, negotiable paper or easily converted property, or with easy access to valuables, should be forced to supply bonds and that the bonding limit should be not more than 25% above value of the property involved.

2% Overall Decrease for Texas Compensation Rates

An overall decrease in workmen's compensation rates of 2% has been announced by J. P. Gibbs, Texas casualty commissioner. The new rates become effective Feb. 1, 1948.

Commissioner Gibbs pointed out that loss experience for the rate-making period under consideration indicated an average increase of 1.3%, but said this is more than offset by the use of wage trend factors, which leave a premium saving of approximately \$600,000 by comparing wage increases allowed by industry which are in excess of the average daily wage necessary for an employee to receive maximum benefits under the Texas workmen's compensation act. The loss experience indicated increase was then subtracted to determine the new rate schedule.

Missouri Compensation Rates Are Reduced 7%

Commissioner Jackson of Missouri has announced a 7% reduction in workmen's compensation rates effective Dec. 31. The action follows a public hearing held last Nov. 26.

The commissioner pointed out that the reduction will result in an estimated premium saving of \$900,000 to Missouri employers next year.

Wants Insurer to Pay Lawyer

ST. PAUL — A move has been launched here to amend the Minnesota workmen's compensation act to provide for payment of attorneys' fees by the employer or the insurance company. Contending the present law is an unjust hardship on injured employees, Thomas W. Walsh, St. Paul attorney, has sent letters to James D. Williams, chairman of the state industrial commission, and to union officials asking their support in bringing about the amendment.

Mr. Walsh points out that under the law the injured employee may select his own physician and the employer or insurer pays the bill. He sees no reason why the same system should not apply to the attorney for the employee. At present the employee is entitled to the services of an attorney in the industrial commission without cost to him but this arrangement is not always satisfactory, Mr. Walsh contends.

Opens Alberta Branch

Canada Health & Accident is expanding its operations into western Canada and has opened a branch in Alberta with Jack L. Perkins of Calgary as manager. He formerly was inspector for the Ontario department and later was superintendent of agencies of Mutual Benefit for Canada.

Decries Stand of SS Officials at International Meet

WASHINGTON—A. L. Kirkpatrick, U. S. Chamber of Commerce insurance department manager, says in an article in the organization's magazine, "American Economic Security," that Brazilian companies are gravely concerned over the prospect of socialized workmen's compensation. Mr. Kirkpatrick says that before SS Commissioner Altmeyer went to Rio recently to attend a meeting of the Inter-American Committee on Social Security, he declined to give any assurance that he would use his influence in opposition to the adoption of the socialization plan.

Mr. Kirkpatrick raises the question whether government officials may participate in such activities of a definitely propagandistic nature, with objectives alien to those generally sought in the United States; also whether American officials should be permitted to participate at all in international conferences the objectives of which are clearly opposed to our social concepts and to our practices.

He charged that the U. S. delegates to Rio gave indications of strongly favoring government monopoly in the workmen's compensation field. He further charged that Federal Security Agency staff members are known to favor unification of compensation with social security, all under the government.

The publication also contains a letter from W. R. Williamson, president of Wyatt & Co., actuarial consultants, criticizing the social security administration methods in publishing references to various tables and sources of medical statistics, and costs of medical care.

I. S. Falk, administration staff leader, defends its methods as adequate and as aiding and encouraging accurate and intelligent use of statistics.

The conclusion appears justified to the publication that statistics and estimates relating to medical care are particularly treacherous; they should be used only after a careful study of the manner in which they were prepared, and then only after gaining a full comprehension of their limitations.

C. I. T. Gives Up Financing and Insuring of Planes

Commercial Investment Trust has discontinued the financing of airplanes and hence its subsidiaries, Service Fire and Service Casualty, have discontinued writing aviation insurance. Service Fire wrote the hull coverage and Service Casualty the third party lines. The only business that Service Casualty has written has been the C.I.T. financed aviation risks and hence Service Casualty is now dormant. It is said both the plane financing and plane insuring have been unprofitable for C.I.T.

N. Y. Club Xmas Dinner

The Accident & Health Club of New York held its annual Christmas dinner at the Henry Hudson Hotel Dec. 9. Wallace McCann, U. S. F. & G., was in charge of arrangements, and Richard Fairbanks of the Fairbanks agency was in charge of tickets.

Council Gets O.K. on Plan D

The National Council on Compensation Insurance has filed and secured approval of plan D for workmen's compensation in Alabama, Arkansas, Connecticut, Georgia, Idaho, Indiana, Kansas, Nebraska, and New Mexico. The National Bureau of Casualty Underwriters, which files the automobile and general liability portions of plan D, is in process of making its filings.

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Give Industry Views on Assigned Risks

N.A.I.C. Casualty Group Hears Day on Truck, Bus, Taxi Problems

The principles that the industry has decided should be introduced in uniform automobile assigned risk plan legislation and procedure were communicated to the N.A.I.C. casualty committee Tuesday morning by Eldon Day, resident secretary at New York for Lumbermen's Mutual Casualty. To many of the commissioners this and the related problem of the market for long haul truck, cab and bus service was the most important subject to be taken up at Miami Beach.

Plan Wholly Voluntary

Mr. Day said the industry is committed to the principle that truck-bus-cab business should not be crammed down the throats of companies that are not equipped to service it and don't want it. Hence the proposal is that such lines be assigned only to such companies as formally register a willingness to be tagged. Double credit would be allowed for the acceptance of an assignment of this class. In other words, the company would be skipped when its time next came in the normal progression for an assignment. So far as trucks are concerned the rule would apply to all that are subject to Interstate Commerce Commission regulation and intrastate trucks operating in a radius of more than 150 miles.

Mr. Day said the industry wants to escape the consequences of "arbitrary and capricious" action on the part of managers of the plans.

No Declination Letters

Letters of declination would be waived. An investigation fee of \$5 per unit with a maximum of \$50 per fleet would be charged, this to be applied against the premium if the risk accepts the assignment, but to be captured by the insurer if the risk does not agree to go where it is placed.

The provision that a risk to be eligible for assignment shall in "good faith" be entitled to insurance would be replaced by specific eligibility standards. For instance, anyone convicted of a felony would not be entitled to cover.

The surcharge, which is now 10% and 15% would be increased to 25%. The agents' commission would remain at 10% and this would be paid on the entire premium including the amount of surcharge.

Gibbs of Texas inquired whether the increased surcharge is needed because of adverse underwriting results or whether it is intended as a penalty to increase the inducement for assigned risks to seek voluntary placement. There was an interruption and Mr. Day was not able to reply but it is understood that in 1945 the loss ratio of assigned risk plans was more than 85.

Limit Risk to Three Years

Mr. Day said another proposal is that an insurer not be required to carry an assigned risk more than three years. After three years a risk can not be compelled to come back for reassignment.

Gough of New Jersey voiced objection to the increased surcharge on the theory that it would raise questions of discrimination. He expressed impatience with the companies for failing to come forward with a pool proposal. That, he contended, is the only satisfactory solution.

The New Jersey governor and public utilities commission are much concerned, and unless the industry takes care of the situation under its own steam, Mr. Gough said the state authorities will sponsor legislation of a compulsory nature. He said 60% of the bus business in New Jersey is written by a single

company and he declared that is an unhealthy situation.

Under a pool plan, he said, the risk would be equitably distributed. He said he is opposed to forcing small companies to write bus, truck and cab lines.

Mo. Employers Are to Meet Dec. 16 to Discuss Law Changes Proposed

Proposed changes in the Missouri workmen's compensation law will be discussed at the regular monthly meeting Dec. 16 of the Kansas City Insured Members Conference of Associated Industries of Missouri by Seldon E. Brown, director of insurance and workmen's compensation of the state group. Bills are pending in the legislature to increase certain benefits. The state legislature will reconvene Jan. 7.

Senate committee substitute for SB 98 provides minimum compensation shall not be less than \$6 nor more than \$24 per week; removes the \$3,600 provision, so that all employees would fall under the act without regard to earnings, and also limits death benefit to \$11,000. The benefits in the bill would increase compensation premiums about 8.4%, says Associated Industries. The bill received a "do pass" in the senate committee.

Liberalizations

HB 411 provides minimum compensation rate shall be \$8 and maximum \$30 per week, removes the \$3,600 provision and fixes death benefit at \$13,842, although Associated Industries believes maximum could be considerably higher. The benefit would call for rate increase of approximately 18%. The bill has been reported "do pass" by the house compensation committee.

SB 224 apparently attempts to increase maximum compensation rate to \$24 per week, the organization reports, and it is opposed to the bill which has a "do pass" from the senate committee on industrial relations.

HB 392 provides for a 16-week healing period. An employee suffering total temporary disability would receive compensation for it for not over 16 weeks and then in addition for any permanent partial disability the employer must pay compensation for the period of total temporary but can deduct the amount so paid from amount due employees, for permanent partial disability, if any. This bill would increase premium rate for compensation approximately 4%, the organization relates. It has "do pass" from the house committee on compensation.

New U.C.D. Rules Show Weekly Benefit Increase

Among the changes promulgated by Commissioner Downey of California in U.C.D. policies under voluntary plans is an increase in the maximum benefit from \$20 to \$25 per week. The new rules become effective Jan. 1, and generally consist of minor operational changes as a result of legislation in the past year.

The maximum benefit limit of 23.4 weeks has been increased to 26 weeks. Also, benefits which were payable on a weekly basis have now been changed to a pro rata daily basis for the end of sickness. Formerly, the claimant if sick three or four days in his last week, was unable to collect.

The new rules now state that insurance company plans must be better than the state plan for all employees in a plant rather than a majority of employees.

Certification of rules have been broadened to include dentists, chiropractors, practitioner, or authorized medical officers of veterans facilities.

The extended liability accounting, which has been assessed on each company for employees of plants they covered, has now been put on a pool basis and companies will pay pro rata, based on their volume.

Some Aspects of New Rating Plans for W.C., Liability

One of the papers presented at the meeting of the Casualty Actuarial Society dealt with interstate and over-all rating plans by Seymour E. Smith of the compensation and liability department of Travelers. In it he pointed out that the new interstate experience rating plan for workmen's compensation provides that any risk which qualifies for experience rating in any one state on an intrastate basis shall be eligible for interstate rating and shall be rated upon the experience of all states combined for which the plan has been approved.

The carrier files a "notification of coverage" form, which lists each state in which the risk operates and the risk name and policy number for each state. The form is necessary since the present unit reports for the individual states do not show whether or not the risk operates in other jurisdictions. When the National Council on Compensation Insurance receives the list of states from the carrier the unit report cards are drawn for the risk and the actual and expected primary and excess losses for each state are entered on the present experience rating form.

Same as Multi-Split

The rating formula is the same as that in the intrastate multi-split plan which was introduced in 1940. Actual and expected primary and excess losses are the totals for all states combined. The experience modification applies in all states in which the interstate experience rating is effective, thus eliminating the cumbersome procedure under the old interstate plan under which modification was adjusted for each state developing a qualifying volume of experience. The use of a single modification for all states follows the concept of considering the risk in its entirety.

If the distribution of the risk's operations by state is relatively static, the development of a separate modification for each state under an interstate plan will have no effect upon the over-all premium for the risk, and an unnecessary amount of labor and expense will be incurred. If the distribution of operations by state is subject to appreciable fluctuation, the use of separate modifications by state may produce very undesirable results. Individual state modifications would have to be adjusted to produce the over-all interstate modification for the risk, and the adjustment factor might be very substantial for a risk with operations spread out over many states.

Reasons for Combination

Mr. Smith outlined the reasons for optional combination for rating purposes on an interstate basis of workmen's compensation with other third party liability lines. Casualty rate regulation raises a very practical problem in the rating of large risks, he said. Since the introduction of retrospective rating in 1936 this combination has been applied to a steadily increasing number of risks.

Since automobile and other liability rates were unregulated in most states, the premium for these lines was an amount which, when added to the approved compensation premium, produced a premium developed by the over-all retrospective agreement. The plan was found to be exceedingly successful. It demonstrated its ability to produce a final premium which came far closer to meeting the actual needs of the individual risk than any casualty rating plan yet developed. The plan was given a further impetus by the comprehensive rating plan for national defense projects.

This type of plan is successful because it brings the advantage of multiple line underwriting down to the individual risk level, he said. Each line of insurance must receive separate consideration, but the buyer and underwriter are primarily concerned with whether or not the total

premium for all third party liability lines properly reflects the over-all experience and hazards of the risk. When several lines are combined the chance for their over-all accuracy is greatly enhanced since any inequity developed in one line will tend to be offset in another.

Proponents of retrospective rating—plan D—believe the plan is actuarially sound and will represent a desirable step forward in the rating of sizable casualty risks, he said. The plan has been designed to provide ample safeguards and safety margins so that the integrity of the workmen's compensation rating pro-

cedure will in no way be endangered by the combination for rating purposes of workmen's compensation and other third party liability lines.

Casualty Managers Elect

NEW YORK—The Casualty Managers Assn. of New York has elected C. A. Borst of U. S. Casualty chairman; E. J. Donegan of Metropolitan and Commercial casualty companies vice-chairman, and E. M. Bergendahl of U. S. Casualty, secretary.

S. G. Otsot, manager of North Carolina Assn. of Insurance Agents, and

Mrs. Otsot, entertained members of Raleigh Assn. of Insurance Women at their home Wednesday evening at a Christmas party. Mr. Otsot tore himself away from Miami Beach where he was attending the meeting of the executive committee of N.A.I.A. and the convention of N.A.I.C., in order to keep the engagement.

Donald Wellenkamp, assistant secretary of Washington National, combined a vacation trip with a look-in at the commissioners meeting at Miami Beach. He was accompanied by Mrs. Wellenkamp.



TELLS 'EM ...and SELLS 'EM

Characteristic of the potent sales aids that are helping F&D representatives to profitably exploit the wide-open field of "dishonesty insurance" is this unusual folder that graphically illustrates the advantages of Blanket Fidelity Bonds. If you'd like a copy, just drop us a line, or apply to any of the F&D's 45 field offices.



FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

N.A.I.C. Selects Meeting Place

(CONTINUED FROM PAGE 17)

for state business experience; standardize period of taxable premiums to that of the preceding calendar year with returns to be fileable and payable annually only.

Also: Require citation of taxable direct premiums only (plus reinsurance assumed from unauthorized companies if required) and with citation of deductions only for taxes previously paid or creditable against taxable premiums. Eliminate all requirements for separate or supplementary schedules of reinsurance assumed and ceded. Standardize filing and payment dates not earlier than March 1 nor later than March 31.

Some Laws Complex

Due to the complexity of laws of some states and to the fact that in some states tax returns and payments are sent to a state authority other than the insurance commissioner, the committee said this simple and logical plan may not be possible for adoption by all states. But the committee suggests major principles that could be embodied in a simplified and standardized form for such states.

The committee attached an exhibit showing how in various respects the requirements of the states differ.

The matter of selecting the time and place for the June, 1948, meeting came up. Invitations had been received from Canadian National Railway for Ottawa, from French Lick Springs Hotel, French Lick, Ind., from Pittsburgh and Philadelphia. Pearson of Indiana spoke for French Lick and Malone of Pennsylvania reinforced the written invitations from Pittsburgh and Philadelphia. McKenzie of Arkansas suggested that the meeting be held later in June than has been the custom in the past.

The Commodore Hotel, New York, it was announced, had made a bid for the meeting in December, 1948.

R. Leighton Foster, Canadian Life Insurance Officers Assn., said he was astounded that N.A.I.C. had received an invitation from Canadian National Railway to hold the convention at Chateau Laurier, Ottawa, in June, 1948. The Canadian parliament will be in session at that time and it is inconceivable that accommodations could be provided. He said it would be impossible to get ac-

commodations at Toronto, Montreal or Quebec. Canada can extend a firm invitation for 1950, he declared. The N.A.I.C. meetings have grown to such proportions that he suggested the advisability of setting meeting places and dates two or three years ahead.

The question was referred to a subcommittee and the executive committee went into executive session to take up the matter of the central office.

Details Changes in New Rating Laws

(CONTINUED FROM PAGE 17)

Nevada Gen. Liab. (incl. emp. Liab.) & Auto Liab.
N. Hamp. W. C. Genl. Liab. & Auto Liab.
N. Jersey W. C. Genl. Liab. & Auto Liab.
N. Mexico W. C. Genl. Liab. & Auto Liab.
New York W. C. Genl. Liab. & Auto Liab.
N. Car. W. C. Genl. Liab. & Auto Liab.
N. Dakota Gen. Liab. (incl. emp. Liab.) & Auto Liab.
Ohio Gen. Liab. (incl. emp. Liab.) & Auto Liab.
Okla. W. C. & Auto Liab.
Oregon Gen. Liab. (incl. emp. Liab.) & Auto Liab.
Penn. W. C. Genl. Liab. & Auto Liab.
S. Car. W. C. Genl. Liab. & Auto Liab.
S. Dakota W. C. Genl. Liab. & Auto Liab.
Tenn. W. C. Genl. Liab. & Auto Liab.
Texas W. C. Genl. Liab. & Auto Liab.
Utah W. C. Genl. Liab. & Auto Liab.
Vermont W. C. Genl. Liab. & Auto Liab.
Virginia W. C. & Auto Liab.
Wash. Gen. Liab. (incl. emp. Liab.) & Auto Liab.
Wisconsin W. C. Genl. Liab. & Auto Liab.
Wyoming Gen. Liab. (incl. emp. Liab.) & Auto Liab.
U. S. Long & Harbor Work. Comp. Act.—W. C.

Number of Retrospective Risks

The number of risks electing retrospective rating continues to increase. The following shows the number of risks which have elected retrospective rating: 1936, 1; 1937, 38; 1938, 132; 1939, 251; 1940, 389; 1941, 433; 1942, 510; 1943, 783; 1944, 1077 (including approximately 200 Michigan risks formerly handled by the National Council now handled by the Michigan Workmen's Compensation Rating Bureau); 1945, 1021; 1946, 1207, and 1947 (to Oct. 1), 924; total 6766.

Since the introduction of the 1943 plans approximately 49% of the retrospectively rated risks have been written under plan A, 36% under plan B, and 6% under plan C. The remaining 9% have been covered by the 1936 plan.

There has been a substantial increase in the number of risks applying for insurance under the voluntary assigned risk plans. Since Oct. 1, 1946, 829 risks have applied for coverage as compared with 531 the preceding 12 months, increase 56%. Assignments for Maine, New Hampshire and Vermont showed a surprising increase, from 130 to 239. Of these assignments, nearly 70% were in connection with risks involving logging, lumbering or sawmill operations. Since lumber prices are at an alltime high level, and, according to recent press reports, almost three times the average for 1939, the reason for the increase in assignments with respect to these states is understandable.

Plastics Reclassification

As a result of a very comprehensive study and survey of the plastics industry by the subcommittee on review of the manual, three primary classifications were established: one for the manufacture of plastic sheets, rods, tubes or the mixing or grinding of molding materials, another for the molding of plastic products by the injection or compression processes, including incidental machining, finishing, assembling and forming operations, and the third for the fabrication of plastic products from sheets, rods or tubes.

In conjunction with the aviation underwriting groups as respects the non-scheduled air lines operations, an entirely new group of classifications was erected. These new classifications are designed to meet the new type of operations, such as contract freight carriers, which have sprung up since the war and more adequately classify and rate the miscellaneous operations of patrol flying, air photography, public exhibition

flying, crop dusting, taxi and charter flights, etc.

Two new procedures were incorporated. The first provides for "A" rating of the testing of prototype or experimental aircraft to recognize the wide difference in hazard which exists between testing of jet propulsion craft at supersonic speeds compared, for example, with prototype testing of pleasure aircraft of the "cub" type. The second establishes a per seat charge, subject to a stipulated maximum, for aircraft operation consisting of transportation of employees in the conduct of the employer's business. This surcharge recognizes the catastrophe element in this type of activity which is not provided for in the rates applicable to the employees' normal classifications.

New N. C. Bureau

The governing committee has authorized a new local administrative bureau, the North Central Compensation Rating Bureau, located in Des Moines. It is now being organized and will have administrative jurisdiction over Iowa and Nebraska. It will also absorb operations of the South Dakota Compensation Rating Bureau now being conducted in conjunction with the Kansas Compensation Rating Bureau in Topeka. The new bureau will assume jurisdiction over all policies issued on or after Dec. 6, 1947, in Nebraska and Dec. 31, 1947, in Iowa.

Several National Council bureaus have assumed the detail work of automobile assigned risk plans. In three states the bureaus have been operating automobile assigned risk plans for several years and in three more, similar plans have been started in recent months. Present indications are that still more states will introduce such plans and that National Council bureaus will be asked to administer them.

Inland Marine Score Cards Give Bureau Entry Record

The Inland Marine Insurance Bureau has been approved as a filing organization by 38 states and Alaska including the ten non-definition states—Colorado, Iowa, Kansas, Tennessee, Utah, Wisconsin, Nebraska, Nevada and North Dakota.

Application for license has been made in California, Idaho, Massachusetts, Montana, Ohio and Hawaii. No rate regulatory laws have yet been enacted in Mississippi, Missouri, Oklahoma, Rhode Island, Virginia and District of Columbia.

States in which the bureau has been appointed statistical agent are Alabama, Connecticut, Florida, Louisiana, Maryland, New York, North Carolina, Pennsylvania, South Dakota and Texas.

The floor plan may be written in the non-definition states and in Arizona, Arkansas, Connecticut, Delaware, Georgia, Illinois, Maine, New Hampshire, New York, North Carolina, South Carolina, Vermont and Washington, a total of 23.

Much Post Season Activity in Great Lakes Shipping

Post-season shipping activity on the Great Lakes this fall is of unusual proportions for a peace-time year. The season normally closes Nov. 30, but insurance contracts with the shippers provide that for an extra premium cargoes may be carried until midnight of Dec. 12.

Experience on the Great Lakes this year has not been too favorable, and if no serious losses result from the late operations, the additional premium would be of great benefit to the companies.

The big factor in the poor experience this year is high repair costs, a situation which is general in all physical damage lines.

Joe Moore, Des Moines humane officer spoke to Des Moines Casualty & Surety Club.



Teamwork That Wins

The smooth, coordinated plays of winning basketball quintets depend upon teamwork every minute of the game. Teamwork moves the ball down court for that important shot at the basket. Teamwork wins games. The Hawkeye-Security Agents are part of a smoothly operating team, too. The team work of Underwriting, Claims, and other departments helps Agents build their sales. Those are just some of the reasons many leading Agents say . . . "Hawkeye-Security is a good team to be on."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

DES MOINES 7, IOWA

Ark. Agents Map Qualification Fight

(CONTINUED FROM PAGE 17)

tion meetings in the past, there have been several papers read in criticism of the accounting methods used in the insurance business, but nothing has been done about it. Permission to consider items such as agents' commission as a deferred charge to be written off over the life of the policy would counteract the sort of fictitious draining of surplus of the past two or three years. I believe that this is good accounting and good sense."

Harry E. McClain, executive secretary of the Indiana Assn. of Insurance Agents stated that never has there been a time when agents have faced as serious problems as they do now and when they need fighting militant trade organizations to preserve the heritage of the agency system. "The effectiveness of any association depends on shirtsleeve work as well as financial support, and every organization is only as good as its members want it to be," he said.

"Your association is not a social organization, but is a means of insuring your agency. I can't understand the fellow who won't get behind his own organization, behind his trade association," he declared.

Need for a qualification law in Arkansas was discussed by Jay W. Dickey, counsel for the Arkansas association, Pine Bluff. He pointed out how a qualification law is in the public interest and that failure of the insurance industry to have qualified, capable agents often gives the entire business a black eye. He cited from his own experiences as a practicing attorney instances in which assured had been victimized by the incompetence and ineptitude of so-called "agents."

The meeting concluded with a buffet supper and tea dance for all agents and company men.

Give R.L.P. to Many Policy Forms Today

Against the possibility that some day some of the states will insist on calling for experience by policy form, several companies have discontinued the sale of several of their A. & H. forms. They have taken off the market some of the contracts that were not "movers." One company, for instance, chloroformed nearly 20 policies. They want to be in a position to comply with any such call as economically as possible.

U. S. Guarantee Assigns McComb to Southern Field

Hamilton W. McComb, who recently became connected with United States Guarantee, has been assigned duties in the south and southwest and will make his headquarters in Atlanta.

Mr. McComb is a specialist in bond lines, having spent 20 years with Fidelity & Deposit. His career commenced in Charlotte, N. C., as a special agent and he served in such a position in Atlanta and Dallas. In 1933 Mr. McComb was appointed assistant manager of the Memphis office and was later made manager. He was resident vice-president in Cleveland at the time he joined U. S. Guarantee.

Holds Insurer Liable for \$7,000 Above Policy Limit

The New Hampshire supreme court established what is said to be a precedent for that state and made an unusual decision for any state when it upheld a lower court decision requiring Hartford Accident to pay in damages an amount greater than the coverage provided in the automobile policy.

In July, 1947, at Nashua, Miss Ann Moran, an elderly woman, was struck and injured by a car operated by Dr. M. H. Dumas. Dr. Dumas carried an automobile liability policy in Hartford

Accident with limits of \$5,000/\$10,000.

Miss Moran would have settled for less than \$5,000, but the insurer on advice of counsel declined to settle for Miss Moran's figure. Miss Moran went to court and won a settlement of \$12,000. Dr. Dumas then sued the insurance company, and the lower court held that the insurer was liable for the full amount of the settlement.

Charged with representing American Farmers of Phoenix, which is not licensed in either Ontario or Canada, Ludger Laflamme has been convicted and fined at Sudbury, Ont. This is the

fourth such case prosecuted successfully in Ontario this year.

Federation Reelects Officers

NEW YORK—The Insurance Federation of New York reelected officers at its annual meeting here Wednesday. State Senator Mahoney, who heads the New York legislative committee studying changes in the state insurance law, was the speaker.

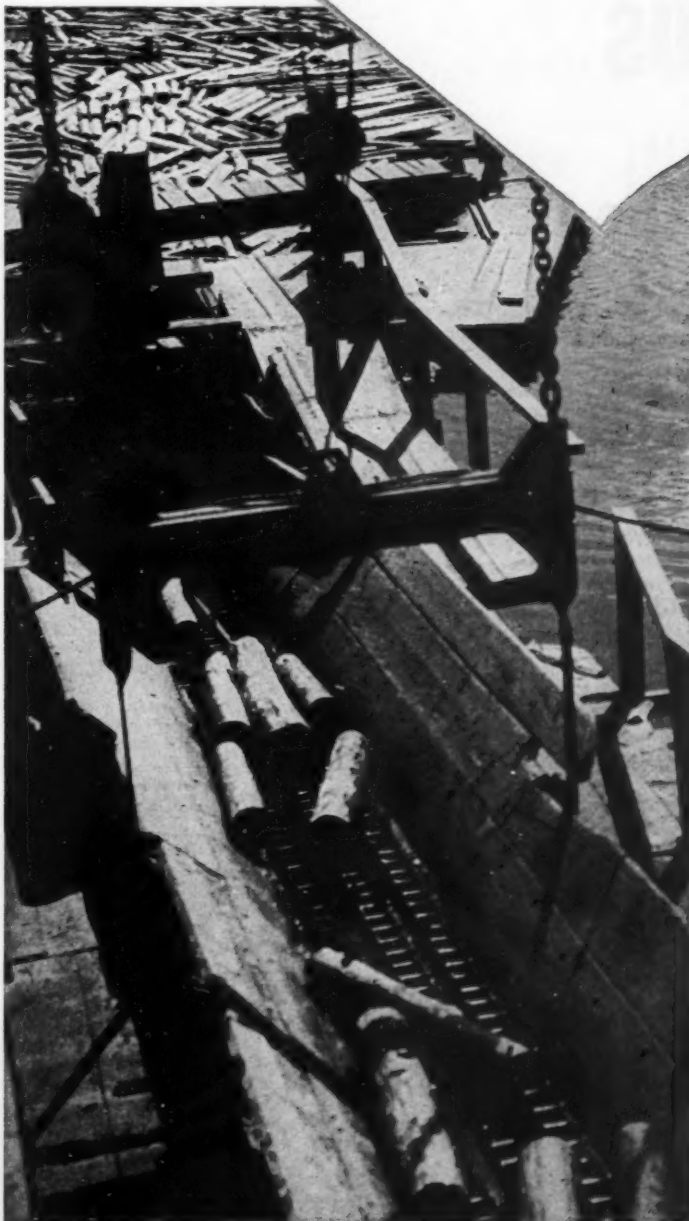
The officers are: J. R. Lawley, Buffalo, president; J. C. Stott, Norwich, R. H. Poggenburg, Brooklyn, A. C. Deiseroth, Syracuse, and C. J. Schoen, Mt.

Vernon, vice-presidents; E. S. Poole, Albany, treasurer; E. H. Hunt, Albany, secretary; L. C. Poole, Albany, assistant treasurer.

Illinois Examines Reciprocal

An Illinois department examination of Union-Automobile Indemnity shows the reciprocal had a surplus of \$569,344 as of Aug. 7, 1947. Assets stood at \$1,714,145, total liabilities at \$1,144,801. The examiners report the cash position well maintained and investments well diversified in marketable securities. They comment that claims are paid promptly.

If Disaster Strikes—



REINSURANCE LESSENS THE SHOCK!

THE CONTINUITY OF INDUSTRY leading to a finished product often begins in far-off places. At any mile post in production, catastrophes may occur regardless of mechanical precautions. These contingencies can only be met by the foresighted purchase of adequate reinsurance.

We offer wide experience and extensive facilities to assist you in arranging this necessary protection.

Casualty, Fidelity
& Surety Reinsurance

EXCESS

INSURANCE COMPANY OF AMERICA
NINETY-NINE JOHN ST.,
NEW YORK 7, NEW YORK

Snide Mail Order Insurers Again Tackled by N.A.I.C.

The old problem of dealing with mail order insurers that operate on a snide basis was tackled anew at the N.A.I.C. convention by the laws and legislation committee headed by Butler of Texas. The final decision was to appoint a sub-committee to report in June consisting of Downey of California, Knowlton of New Hampshire and McKenzie of Arkansas.

James E. Rutherford, executive vice-president of National Assn. of Life Underwriters, led off by urging that attention be given to the operators that are "milking the public" and injuring the name of insurance and insurance agents. He referred to the model bill whereunder a domestic company is forbidden to do business in states in which it is not licensed. This measure, he said, may be too drastic and would interfere with London Lloyds and the commercial travelers associations. He said most of the trouble arises from Illinois companies.

Moses G. Hubbard, general counsel of

Commercial Travelers of Utica and of the Assn. of Commercial Travelers Organizations, spoke vehemently against restrictive legislation. Such a statute would be a death blow to his type of company and he declared these insurers have the highest claim ratio and lowest expense rates of any companies in the field.

The number of "burglars" is few, he said, and 50% of them are in Illinois. He said much of the trouble could be eliminated if N.A.I.C. could persuade the Illinois department to police its mail order insurers.

Mr. Hubbard commended the New York statute giving the department authority to pass upon advertising.

Frank Landis of the Nebraska department said his state proposes to clean house. It is following the Missouri approach whereunder domestic insurers would sign consents to be sued in any jurisdiction in which the claimant is located. The department is requiring each company to keep a file of its advertising material and this will be examined every two months.

Mr. Hubbard voiced opposition to the Missouri approach, contending this would invite chiseling by claimants. For instance, a meritless suit for \$50 might be filed in New Zealand and the com-

pany would have to pay because it would be uneconomical to defend it. At the same meeting, Mr. Rutherford submitted the N.A.L.U. bill on licensing and qualification of agents with a covering statement.

Also discussed was the matter of the market for motor bus risks. The committee apparently endorsed the views volunteered by Chase Smith of Lumbermen's Mutual Casualty, saying there is no problem if the assured is willing to deal with a reputable insurance company on a fair basis. Sometimes there is an unwillingness or inability to pay the premium. At other times competition forces down the rates and weak sisters gobble up everything in sight and then blow up. "We go by panic," he declared. One day a company is told by a state that it is writing too much business and the next day it is criticized for ducking risky business. It is no cure for the surplus position to write business that is not self-supporting. The underlying conditions should be corrected.

Set Minn. Agents Meet for Sept. 16-17 in St. Paul

MINNEAPOLIS — The executive committee of the Minnesota Assn. of Insurance Agents is taking no chances of being eulogized out of a meeting place for its 1948 annual convention because of crowded hotel conditions and already has booked accommodations at the St. Paul hotel, St. Paul, for Sept. 16-17. Last fall the association had to postpone its annual meeting until the first week in October because of inability to get hotel space at Duluth where the meeting was scheduled.

The executive committee held an all-day conference with standing committee chairmen and presidents of regional associations. Committee chairmen reported on various activities. Two films, "Sharing Economic Risks" and "Your City Fire Fighters" were shown by M. W. Wise of Aetna Casualty.

John K. Walker's Luncheon

John K. Walker of Moore, Case, Lyman & Hubbard of Chicago, who celebrated his 50th anniversary in the insurance business last week, gave a luncheon at the Union League Club in Chicago. He invited members of his own organization and some of the old timers in the 50 year group and special guests. He introduced each one personally. John C. Harding, western manager of Springfield F. & M., was his first boss. Mr. Harding then was head of the loss department in the Springfield office. There were no talks.

Ky. Commissioner Prospects

LOUISVILLE—Among the possible appointees as Kentucky insurance commissioner when the Democratic administration takes over Jan. 1 are mentioned McKay Reed, general agent of John Hancock Mutual Life, who is a former commissioner; Dwight Peel of Benton, former fire marshal, and John Hennessey, Louisville local agent.

DEATHS

William B. Remington, 57, president of the W. B. Remington Advertising Agency of Springfield, Mass., died at Roosevelt hospital, New York, after a long illness.

Mike M. Moss, who with his brother, W. Irving Moss, operated Union Indemnity of New Orleans, which was thrown into receivership in 1933, died at San Francisco Monday after a short illness. He had been working as a cook in northern California hotels for several years.

Union Indemnity at the height of its career was a \$12 million company, operating nation-wide, which controlled several other casualty and fire companies and at least one life company. The Moss brothers also operated the Hartwig Moss agency at New Orleans, one of the largest in that city.

Chicago Board Officers Discuss Rules with Gorman

L. P. Warren, president, Emil L. Lederer, vice-president, and W. W. Hamilton, manager of the Chicago Board met with their general counsel, E. W. Sawyer of New York in Washington, D. C., last week. While in Washington, they had a conference with Manuel M. Gorman, special assistant to the Attorney General in the anti-trust division. The present board rules were thoroughly discussed with Mr. Gorman with particular reference to agency limitation. The board officials state that Mr. Gorman was most sympathetic and feel that results of the conference were most encouraging.

New Post for Diringer

Home has appointed Larry Diringer, formerly its manager in Montana, division underwriter of the Pacific and foreign division.

Mr. Diringer joined Home in 1930 as examiner in the New York office, was appointed special agent for Montana, in 1934, state agent in 1944, and manager this year, which position he held until his transfer to the home office last August.

F.I.A. Shifts Saltmarsh

Factory Insurance Assn. has transferred Special Agent W. C. Saltmarsh, formerly in charge of the Pittsburgh territory, to the home office as superintendent of negotiation work under direction of Assistant Manager J. H. Germain.

A. C. Stone, in Pittsburgh since 1942, is being advanced to special agent in charge of that territory.

C. J. Wintroll, Wichita, Royal-Liverpool state agent, has been named Kansas district chairman of National Fire Waste Council.

BITUMINOUS SERVES with assistance in the field

The kind of assistance you want . . . when you need it. That's what you get from Bituminous and its trained field specialists.

Your Bituminous Special Agent has a first-hand knowledge of your underwriting problems. His technical assistance is always available to help increase your premium volume, build morale in your district, and personally assist you at the point-of-sale. He "talks your language"—and considers your problems as his own.

In addition, Bituminous serves you in countless other ways . . . with its financial stability, good loss paying record, variety of lines, attractive commissions, and helpful underwriting policy.

BUILD WITH BITUMINOUS

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS

ASSETS OVER \$18,000,000

Specializing in: Workmen's Compensation... Comprehensive Liability . . . Public Liability . . . Property Damage . . . Comprehensive Personal Liability . . . Automobile Liability.

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NATIONAL SURETY CORPORATION

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A. & H. Proposals to Get Further Study

MIAMI BEACH—The N.A.I.C. accident and health committee, at its Tuesday morning meeting with Knowlton, New Hampshire, presiding, received numerous recommendations, statements and memoranda from industry spokesmen.

The industry submitted a draft of a uniform sickness and accident policy provision law which was placed in the hands of the commissioners Nov. 10. Several of the commissioners said they had never received a copy. Parkinson of Illinois criticized the industry for not giving the committee time to consider all of the proposals made. Industry representatives declared that they neither requested nor desired any action on the draft of the new law at this meeting.

The proposed bill would supersede the old uniform standard provision bill adopted by N.A.I.C. in 1912. It would set up minimum standards of policy provisions for the protection of policyholders and claimants. As proposed it does not cover the subject of filing and approval of policy forms nor unfair practices, which are covered in other legislation.

The industry's drafting committee submitted an explanatory statement to the commissioners which outlined the provisions of the bill and made detailed comparisons with the old law.

The bill was presented by J. F. Follmann, Jr., manager of Bureau of Accident & Health Underwriters, on behalf of the drafting committee. Harold R. Gordon, managing director of Health & Accident Underwriters Conference, stated that he could not commit his organization to the bill as it now stands and Moses G. Hubbard, Jr., of Commercial Travelers Mutual Accident, strenuously objected to the section dealing with "time limit on certain defenses."

When the committee went into executive session Knowlton intimated that a subcommittee would be appointed to work jointly with a committee of the industry in considering all of the proposals the industry had made.

Three forms for reporting of loss experience by policy forms are now in the hands of the committee. One is the form developed by the committee itself, another came from zone 4 and from the conference and still another from the bureau. The latter two differ only in minor respects, but the commissioners' committee form differs in major respects from the other two. No action was taken. It was contended by Mr. Gordon that the filing of such information as was called for in the form recommended by the committee would make a matter of public record information and facts which would seriously upset the competitive system under which the industry is now operating and which operates in the interest of the public.

A fourth revision of the Official Guide was also a subject of debate before the committee. Mr. Follmann proposed that a subcommittee also be appointed to work on that project. He recommended that paragraphs 1 through 4 of section H of the guide be eliminated. These sections require a brief description of the coverage and a statement on the face of the policy as to whether the policy is renewable or cancellable.

Derby Agency Supervisor

Glens Falls Indemnity has appointed John H. Derby, Jr., agency supervisor. He is a native of Glens Falls, attended Glens Falls Academy and Phillips Andover and was graduated from Yale in 1933. That year he joined the home office staff of Glens Falls and worked in the fire and casualty underwriting departments until 1938, when he went to the central department office of Glens Falls Indemnity at Chicago, doing underwriting and production work in all casualty and bond lines. Since January, 1946, he has been special agent at Columbus, O.

SS Council Weighs Disability Cover

WASHINGTON—Need for inclusion in the social security system of insurance against long-term disabilities, was stressed by Dr. A. J. Altmeyer, social security commissioner, at the first meeting of the social security council set up by the Senate finance committee. He said that every other country that has an old-age retirement system provides for retirement due to chronic or permanent disability.

Differs from Socialized Medicine

Drawing a distinction between socialized medicine and health insurance, he said the latter implies a system whereby medical service is provided by private practitioners who are reimbursed from a special insurance fund. He compared this to workmen's compensation, which he called a system of compulsory health insurance applicable to occupational accidents and diseases.

Benefits would be payable only in the event of serious loss of earning capacity persisting for six months or more. Benefits would take into account the number of dependents.

Pickups from Miami Beach

Ty Cobb, Jr., of Orlando, chairman of the Florida house insurance committee, mingled with the throng at the N.A.I.C. convention at Miami Beach as did Senator Franklin, chairman of the senate insurance committee, and W. A. Shands, former chairman of the senate insurance committee, who is said to be a gubernatorial possibility.

Newell Johnson, who resigned as Minnesota commissioner effective Dec. 1, was the man of mystery at the N.A.I.C. convention. He has not disclosed his future plans and he did not display a convention badge.

Twelve members of the Massachusetts legislative commission on insurance attended the meeting.

Edward McMonigle, former Idaho insurance commissioner, is organizing a company at Boise to be known as Mountain Mutual Fire.

William F. Delaney, Jr., of New York, reinsurance manager of Fairfield & Ellis, took in the N.A.I.C. convention after making a business visit to Cuba.

Scouts for Chicago Bears were trying to deprive of Commissioner Larson of Florida of his principal aids, but they were unable to pry John Ferleta, of Tampa loose from his job of assistant fire marshal. At 249 pounds he was University of Florida tackle in 1928 and the Bears wanted him for their titanic struggle with the Cardinals this coming Sunday.

Barton E. Griffith, Topeka, member of the Kansas senate insurance committee, accompanied Commissioner Frank Sullivan of his state.

Two peas in a pod from a physical standpoint at the N.A.I.C. convention were L. A. Breskin, president of Sterling of Chicago, and S. A. Markel, president of American Fidelity & Casualty of Richmond. They were frequently getting slaps on the back intended for the other one.

Set Tex. Casualty Rallies

The annual one-day casualty meeting sponsored by the casualty committee of Texas Assn. of Insurance Agents will be held at Dallas Jan. 26 and at Houston Jan. 27. Hollis Danvers is committee chairman. Recognized company authorities on the various casualty lines will conduct an intensive one-day educational course in each city. The average attendance of agents at each place has run above 300 in previous years.

Mo. Non-Admitted Ban

JEFFERSON CITY, MO.—Superintendent Jackson has issued an order restricting use of names of non-admitted companies in solicitation of insurance business in Missouri. He rules that hereafter names of non-admitted companies shall not be used in advertisements or in solicitation of insurance business in the state.

America's MAXIMUM ACCIDENT INDEMNITIES

For Qualified MEN AND WOMEN TO AGE 70

As much as . . .

\$150,000	Accidental Death Indemnity
\$ 3,000	Medical — Hospital — Nurse Reimbursement Indemnity
\$ 500	Weekly Disability Indemnity for 52 Weeks
\$150,000	Dismemberment Indemnity

Never before SO MUCH Accident indemnity coverage offered by an American Insurance Company. Continental's "Maximum" line is an exclusive door-opener to supplement life insurance . . . opens a new market for special risk business on a standard risk basis. Writing facilities are available to all qualified brokers, agents and producers.

Write for Full Particulars Today

CONTINENTAL CASUALTY COMPANY

Special Risks Division

310 So. Michigan Avenue * Chicago 4, Illinois

ACCIDENT AND HEALTH

Health Plans Galore Proposed in Connecticut

HARTFORD—Amid a state-wide discussion of plans for health insurance, the Connecticut Medical Society last week deferred for about two months action on a surgical and obstetrical plan which its committee on prepaid medical care has spent nine years preparing. The society's house of delegates decided to defer action so that the plan might be studied by county societies before final action is taken.

Meanwhile, the W.M.D. bill and a "ceiling" aid plan for hospital bills also have been brought forward as alternatives.

The Connecticut plan provides for surgical and obstetrical insurance on a master indemnity schedule. For persons of income below \$2,000 and families with incomes below \$3,000, the insurance benefits for specific operations would equal charges of the doctors cooperating.

The benefit schedule calls for indemnities slightly higher than those now offered by private insurance companies, but Dr. Miller said that it "realistically recognizes present conditions." For persons or families above the income limits, the plan offers the insurance benefit as a credit toward the total medical charges by doctors.

At the same time, Robert Parnall, general manager of Connecticut Hospital service, the Blue Cross, has announced that a group of interested persons, not further identified, is prepared to incorporate a non-profit medical service organization. This might be tied in with the medical society's plan, if it is adopted.

The plan was loudly blasted as "an odious hoax" by a Yale University professor of medicine before delegates met. Dr. John Peters, secretary-treasurer of the National Committee of Physicians for the Improvement of Medical Care, Inc., said the plan, if adopted, would be totally ineffective.

He charged that it is not meant to help patients at all; it is for surgeons, to insure that they will collect fees where

they otherwise might not be able to.

Its fallacy, he argued, is that it is based on specific fees for specific services. This, he said, would tend to make it turn into a racket. Dr. Peters insisted that no voluntary insurance plan will work. It must be compulsory if it is to benefit the nation as a whole.

In indicting the medical society plan, he said that it is limited to certain income brackets; it is expensive, and beyond the reach of the pocketbooks of the families most in need of health insurance; it furnishes only partial coverage, since surgery and obstetrics are but a small part of medicine; it will be regulated entirely by doctors; it is confined to state boundaries. He proposed instead adoption of the Wagner-Murray-Dingell bill.

Suggests State Plan

Meanwhile, there is increasing discussion of other methods of dealing with the costs of illness, among state officials and medical leaders in Connecticut. Dr. Wilmar M. Allen, director of Hartford hospital, proposed at the annual meeting of the Connecticut Hospital Assn., that the state set up a plan to help carry the burden of long illness. The plan was viewed with some uncertainty by most state officials.

Dr. Allen proposed that a ceiling be set by the general assembly to fix where the state would start helping with bills. Family savings and pre-payment insurance plans take care of most expenses, he said.

Below the ceiling, the patient, with or without insurance, would be responsible for his bills. Government agencies, insurance companies and hospital charity might help out.

Alternative to U. S. Plan

Dr. Allen's proposal was said to be the first offered publicly to help pay large hospital bills for anyone in need, rather than only for welfare cases. His plan was proposed as an alternative to federal or state health insurance.

The state's part of the hospital bills would be at the minimum rates, he outlined. Federal grants-in-aid might be used to spread the plan throughout the country.

Letting problems of meeting hospital bills stay as they are "is not satisfactory to a growing number of people," he warned. At the same time, changing rates of insurance plans would just mean lower benefits or higher rates. Such policies probably can't be sold, he said.

As far as federal or state hospital insurance is concerned, the job can't be centralized, he said. He added that a bureaucracy would be likely to grow "to spend a good part of your tax dollar before any of it was used for your care."

Dr. Allen asserted that because most patients would continue to pay their own bills, there would be no tendency on the part of hospitals to over-spend; that the ceiling should be set at a level where it will not interfere with prepayment plans and insurance.

A. W. Perkins Is Union Mutual Life A. & H. Chief

Alfred W. Perkins has been named second vice-president in charge of the sickness and accident department of Union Mutual Life, President Rolland E. Irish has announced. A graduate of University of Maine, Mr. Perkins formerly was with Aetna Life and Pan-American Life. In 1942 he became insurance commissioner of Maine. He had two years naval service as a lieutenant commander in the Pacific.

Mr. Perkins succeeds Clifton W. McNeill, recently resigned.



A. W. Perkins

San Francisco Association Considers Many Topics

SAN FRANCISCO — Examination requirements, the provisions of the agents' qualification law and the position of the insurance department on license examinations were discussed by the newly organized Accident & Health Underwriters Assn. of San Francisco, which starts off with a membership of more than 100. There were a number of guests, including several from outside the city. The association has invited all accident and health personal producers in near-by cities and towns to join, with a number responding.

H. D. Quigley, Mutual Benefit Health & Accident, president of the association, outlined its objectives. William E. Leiby, Massachusetts Indemnity, Los Angeles, told of the need and advantages of such an organization. It is planned to join the National association.

Vote to Merge Combined Casualty, Phila. Insurer

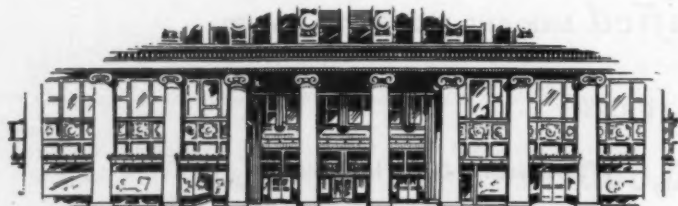
Merger of Combined Mutual Casualty of Chicago into Combined Insurance Co. of America, effective Dec. 31, was approved by the stockholders of Combined Mutual Casualty at a special meeting. The agreement had previously been adopted by stockholders of Combined Insurance Co.

Announce Non-Can Winners

George H. Tracy, Grand Rapids manager, and Nathan Metzger, Richmond manager of Union Mutual Life, were winners in the company's non-cancellable sickness and accident campaign, leading in number of paid cases and volume of paid premium.

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CHANGES IN CASUALTY FIELD

Mullen Employers Deputy Manager

J. Chester Mullen, assistant deputy manager of Employers Liability, has been appointed deputy manager. He will also continue as a vice-president of American Employers and Employers Fire.



J. C. Mullen

Mr. Mullen started with Employers in the compensation and liability department in 1913. He was appointed superintendent of that department for American Employers in 1926. In 1927, when one department was established to handle the underwriting of workmen's compensation and of the various liability lines for both Employers Liability and American Employers, he became assistant superintendent. In connection with his underwriting activities, Mr. Mullen made frequent visits to general agencies and branch offices throughout the country.

In 1936 he was appointed assistant to the managers and in 1943 became assistant deputy manager of Employers Liability and vice-president of the other two companies.

Kloppenburg Standard Accident Boston Manager

Victor L. Kloppenburg has been named manager of the Boston branch office of Standard Accident group. He has been bonding manager there for 13 years. He was recently elected president of Surety Underwriters Assn. of Massachusetts.

Mr. Kloppenburg started with Standard in 1924 as a student in the home office training school. In 1925 he became underwriter in the contract bonding department. In 1929 he was named bonding manager at Cleveland and went to Boston in the same capacity in 1934.

He was born at Davenport, Ia., attended University of Iowa and University of Illinois.

Fidelity & Deposit Makes Managerial Promotions

Fidelity & Deposit has appointed Thomas J. Ternan, former associate manager, manager at Philadelphia. Lawrence E. Wesner is now associate manager; George E. Foedisch, Jr., assistant manager, and Nathan P. Stauffer, Jr., American Bonding manager there. The latter three have been special agents. James M. Henderson continues as resident vice-president in Philadelphia.

Pitts and Hoge Appointed

William E. Pitts, associate manager in Atlanta, has been appointed manager and Charles E. Hoge, former special agent has been named assistant manager. Mr. Pitts succeeds M. S. Tanner, who has been temporarily assigned to the home office pending a new appointment.

Edward Thron, former special agent in St. Louis, has been appointed assistant manager in Omaha. He succeeds Millard A. Kelly, who is now director of the home office training school.

Norris Joins Guarantee

James F. Norris has joined Guarantee of Los Angeles as assistant claims superintendent. He had been with New Amsterdam Casualty there since returning from army service. Before the war he was with Allstate.

Holmes Retires as Indemnity of N. A. Manager at L. A.

E. Fletcher Holmes has retired as manager of Indemnity of North America's Los Angeles office. Robert W. Byrne, assistant manager, will succeed him.

Mr. Holmes joined North America as a special agent in Little Rock in 1916. In 1926 he was made manager of Indemnity's Los Angeles service office and has served continuously except for one year during which time he was vice-president at the home office.

Mr. Byrne joined Indemnity in 1942 as assistant superintendent of the special risks department in the home office. Previously he had headed a general agency in Denver, which represented Indemnity. He was transferred to Los Angeles in 1945 as assistant manager.

Daily, Johnson Advanced

William L. Daily, former Chicago branch legal manager, has been appointed to the new position of regional claim manager of Employers Mutuals of Wausau. He will be a member of the home office claim executive staff but will have his headquarters in New York.

D. M. Johnson of the Dallas engineering staff was named supervising engineer, also a new position, for the Dallas branch. His territory will include Texas, Louisiana, Oklahoma, Arkansas, New Mexico and Arizona.

William A. Douque has been appointed resident manager at Syracuse, N. Y.

American-Associated Directors

To fill vacancies on its board, American Automobile has elected as new directors Stephen Y. Hord of Brown Brothers, Harriman & Co., Chicago, and Gale F. Johnston, president Mercantile-Commerce Bank & Trust Co., St. Louis, former third vice-president of Metropolitan Life.

Mr. Hord was also elected a director of Associated Indemnity, which increased its board from 12 to 14 members. Its other new director is John B. Morse, president Del Monte Properties Co., Del Monte, Cal.

SURETY

Stevick and Maccubbin Honored for Service

SAN FRANCISCO—The Surety Underwriters Assn. of Northern California at a meeting Wednesday honored Guy LeRoy Stevick, vice-president Fidelity & Deposit, who retires Dec. 15 after 55 years with the company. Co-honor guest was Samuel T. Maccubbin, claims superintendent for the company with 49 years' service, most of the time in the coast office here.

Mr. Stevick, long considered the dean of the surety business on the coast, started with F. & D. in Denver as attorney, in 1910 was transferred here and established the company's office as manager and attorney. For several years he has been an informal honor guest at the association's annual banquets and meetings and frequently he was consulted in preparation of large bonding projects by representatives of other companies.

Mr. Maccubbin is known throughout the industry for his experiences and adventures in tracking absconders and handling some of the most difficult claims in the history of the business. One of his greatest feats was capture of two young men who embezzled from banks by which they were employed.

Mr. Maccubbin, with only a slipper for a clue followed and caught them in England.

E. C. Porter, vice-president U. S. F. & G., who started under Mr. Stevick in 1913, was arrangements chairman and toastmaster, assisted by Vernon Peirson, vice-president F. & D.; A. C. Posey, vice-president Hartford Accident, and A. W. Hillback, manager Great American Indemnity. In behalf of the group Mr. Posey presented Mr. Stevick a console combination radio and record machine. Mr. Stevick responded with a humorous recital of experiences.

Big Aircraft Bond Issued

American Surety, through its Los Angeles branch office, has executed a performance bond for Rohr Aircraft Co. running to Lockheed Aircraft Corp., providing for the delivery of \$2,155,000 of ship sets. Four other carriers are participating through reinsurance.

L. A. Surety Men Meet

LOS ANGELES—At a meeting of Surety Underwriters Assn. of Southern California, Vice-president Earl E. Davis of Pacific Indemnity briefly reviewed the recent merger of Surety Assn. of Amer-

ica and Towner Rating Bureau, paying special tribute to the work of Martin W. Lewis.


The association adopted a resolution to be forwarded to Surety Assn. of America recommending that fiduciary bonds be written on a graduated rate running from \$5 per thousand to \$1 per thousand for bonds in excess of \$1½ million.

It was announced that the recommendation of both Northern and Southern California Surety Underwriters Assns. that public official bonds be written at a term rate had been turned down by Surety Assn. of America.

A resolution in tribute to Guy LeRoy Stevick, vice-president of the Fidelity & Deposit, on his retirement was adopted.

Charge Agent Rebated

Four complaints charging rebates in connection with automobile insurance policies have been filed at San Antonio, Tex. They charge Ralph Hammond, local agent, with making rebates to William T. Coons, finance company operator, of \$25.64 Jan. 11 and of \$13.50 Feb. 6; the complaints against Coon charge him with accepting those rebates. It is alleged that 15% rebates on the premiums were made and accepted.



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Near Record N.A.I.C. Fla. Meeting

(CONTINUED FROM PAGE 1)

resignation of Newell Johnson as Minnesota commissioner. Mr. Hodges is N.A.I.C. secretary also. Thus the secretarial and examinations work will be concentrated and this will be channeled into the central office to be set up at Raleigh by July 1.

It was voted to abolish the interstate rating committee and to transfer its assignment to the committee on rates and rating organizations.

The fire and marine committee meeting Tuesday afternoon, with White of Mississippi presiding, attracted an expectant throng who felt there might be interesting discussion of the proposed revision of the 1921 profit formula. But there was none. The meeting consisted simply of a statement by Dineen of New York on what has been accomplished and

what is on the tapis in the interest of putting fire insurance rate administration on as systematic a basis as possible.

Dineen renewed the various steps that have been taken to put fire insurance rate making on a systematic basis. First was the new classification system. Then New York adopted a formula that is intended to achieve equity between classes. The next step was enactment of the uniform accounting statute and progress is being made in working out the details, so that the expense element can be definitely measured, next "leg on the journey of progress," he said, is the study being made by Insurance Executive Assn. in an effort to devise a homogeneous rating schedule. The industry is ahead of the commissioners here and is doing a worthwhile job. It has been

too modest about it, he said.

There needs to be an investigation of the national board key rating system, because this is the cornerstone of the entire rating setup, Mr. Dineen asserted. He said he did not imply that it is faulty but the states should be informed about the system.

Tied into the intelligent administration of rates is the matter of the profit formula and hence the current attention that is being given to the N.A.I.C. 1921 profit formula. He said this formula perhaps has certain tax advantages for the industry and it contains the principle that investment income shall not be considered in fixing rates.

On the matter of inland marine rates, Mr. Dineen said New York has perfected a plan that promises to be satisfactory. New York examiners in collaboration with marine people set up statistical machinery that will produce experience on a classification basis that should prove satisfactory.

Casualty Accounting Report Presented

The committee on uniform accounting of N.A.I.C. was presented Monday afternoon with a 350-page study of casualty accounting practices that has been pursued by the New York department. Author is Thomas Morrill, and as hot as it was and as late in the afternoon, everyone seemed very glad to get it, and Mr. Morrill was besieged on all sides for his autograph. He requested that N.A.I.C. name a committee to review and criticize it. This is a companion piece to the study on fire insurance accounting practices that was released last year.

Commissioner Gibbs stated that uniform accounting is necessary for uniform reporting, and uniform reporting is, in turn, necessary for the approval of rates filed.

It was pointed out by Mr. Morrill that New York was the first state to enact a uniform accounting law, and it was conceded by the committee that New York is setting the pattern in this regard.

The objective of the committee is to have a formal report ready to submit to N.A.I.C. in June.

C. G. Vanderfeen, National Surety, contended that the revised form of annual statement, which was urged on the blanks committee, should rightfully be the concern of the uniform accounting committee, but Mr. Morrill vetoed that suggestion.

Would Change N.C.C.I. Setup

At the meeting of the N.A.I.C. workmen's compensation committee W. F. Roeber, general manager, submitted a proposed amendment to the constitution of National Council on Compensation Insurance covering the relationship of N.A.I.C. to N.C.C.I. It would abolish the position of special representative of N.A.I.C. on N.C.C.I. which has been vacant since the death of Clarence Hobbs. Instead the commissioners would have the right of visitation to N.C.C.I.

The proposed constitutional provision reads:

"The National council shall cooperate fully with all supervisory officials, both in their official capacities within their respective states and their joint activities through National Association of Insurance Commissioners. All of the activities of the National council including meetings of all committees concerned with rating matters shall be open to visitation, audit and examination by any supervisory official or his designated representative or by such designated committees or other representation of the National Association of Insurance Commissioners in such manner and to such extent as said association may determine."

Gough of New Jersey inquired why National council's relationship with N.A.I.C. should be any different from those of other national rating organizations.

Mr. Roeber also submitted a lengthy report on the rate level adjustment factor that was of a very technical nature.

The N.A.I.C. rates and rating organization committee spoiled the cocktail

hour Tuesday by holding a special session that ran until after 7:30 p.m.

Dineen of New York led off by discussing the necessity of state anti-trust laws. He said that commissions are not governed in the rating laws. Hence if attempt is made to control commissions in concert, the federal anti-trust law would be violated. He said the so-called Lloyds truce may be suspect. There are several problems left dangling, he said. Life insurance companies are under attack for distribution of securities on a joint basis.

He advocated passage of an anti-trust act on a state level and also a state law patterned on the federal trade commission act.

J. R. Berry of the National Board said the fire companies differ with the Dineen position and will argue the matter fully before the New York legislature. He said a state anti-trust law would give the industry no relief. It would simply double the penalty. He condemned the whole program of converting regulation into a prohibition framework, instead of positive control worked out by the industry and the states. There are influential people at Washington, he declared, who are now ready to abandon the whole theory of regulation by prohibition.

Dineen also reported for the committee on surety rate regulation. He said Surety Assn. companies write 80% of the business. Since so much of the business is nationally rated, a centralized review would be advantageous. It is essential to examine experience and for periods of 10, 15 or even 20 years in order to get sufficient credibility. There could be triennial examination of the statistics, although an annual review might be desired. One possibility would be to have an N.A.I.C. committee scrutinizing statistics periodically or the review might be conducted by the new central office.

A national review would relieve states
(CONTINUED ON PAGE 32)

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Floridans Highly Pleased at Parley

(CONTINUED FROM PAGE 1)

presented with figures that had been prepared for Greater Miami Insurance Board by Stuart Brown, actuary of National Assn. of Insurance Agents, showing that since 1926 the loss ratio in Florida on straight windstorm has been 89%, on extended coverage 10%, and on fire, wind, and E. C. combined 41%. Mr. Brown developed figures on current volume and anticipated volume of business from new construction.

There is the greatest difficulty in getting coverage for new hotel projects and the agents have to scratch to fill the orders on existing structures, because many of the companies are writing no new business and are reducing their commitments on renewal.

Adams Heads Florida Group

Marvin Adams was general chairman of the agents committee. His colleagues from Miami included John Mumford, president of Greater Miami Board; Ray Butter, Briggs Branning, W. B. Buchanan, and R. C. Houser, all of Miami; B. D. Cole, West Palm Beach, president of Florida Assn. of Insurance Agents; W. P. Fischer, also of West Palm Beach; Cooper Cubbage, Jacksonville; Glen Evans, Tampa; A. W. Putnam, Ft. Lauderdale, and Hunter Brown, Pensacola.

The Florida group presented to the N. A. I. A. executive committee meeting at Miami Beach a resolution of appreciation for the services rendered by Stuart Brown. The Floridans also expressed by resolution their appreciation of the company committee's visit.

The company group included: E. A. Williams, president Insurance Executives Assn.; Harold Conick, Royal-Liverpool; W. R. McCain, Aetna Fire; C. S. Kremer, Hartford Fire; G. C. Long, Jr., Phoenix of Hartford; J. C. Evans, Great American; J. Lester Parsons, Crum & Forster; B. F. Weaver, Royal; A. E. Hill, Home; B. C. Vitt, American; J. V. Herd, America Fore; Harrison Hines, Crum & Forster; E. N. O'Beirne, Automobile; L. P. Jervay, America Fore; A. H. Turner, general agent Atlanta; C. S. Whitner, general agent, Jacksonville; W. W. Sampson and H. N. Pye, S. E. U. A.

Extraneous Losses

The company men felt that many of the losses arising from the hurricane are what might be characterized as extraneous, consisting of such things as awnings, cabanas, chairs, discoloration of paint, etc. It had been represented that mortgagees were unwilling to finance new construction unless adequate windstorm insurance could be gotten. Some of the company people feel that what the mortgagee desires is protection against fundamental structural damage and that incidental beach

properties should be considered by the owner as an operating risk.

There was sentiment in favor of the agents getting behind a program to define closely what should and what should not be covered. The companies intend to make a thorough analysis of the recent hurricane losses, dividing those that are unquestionably of a structural nature and that were definitely due to the direct action of the wind and those that might be classified as extraneous. Then these would be sorted according to type of risk and ratios determined according to loss and amount at risk.

Public Relations

It was generally agreed that in the event of a hurricane much can be done in the way of public relations that will reduce the loss and pave the way for amicable and correct adjustments. For instance advertisements could be placed in the papers, setting forth instructions to property owners on how to protect their property against further loss, tell the public the arrangements that are being made for handling adjustments, and setting forth explicitly the types of damage that are covered and those that are not. It was felt that such messages could be prepared in advance and be ready for insertion when the emergency arises.

Many Angularities

There have been many angularities in connection with the adjustment of Florida losses. The insurance companies are paying out millions of dollars, but they are getting little credit for it. There is grousing on all sides. The visit of the high insurance officials is taken in the state as indicating that in the future the public relations element will get top attention.

For one thing it was about three weeks before General Adjustment Bureau was set up to handle losses. When G. A. B. did get in operation it had a well integrated plan, with area supervision well worked out, but the delay stuck in the craw of agents and assured.

(CONTINUED ON PAGE 32)

Reasons, Remedies for Reduction

(CONTINUED FROM PAGE 2)

nent one, and when demand for coverage tapers off, a company might well find itself greatly over-capitalized.

A fifth proposal is to provide a colossal reinsurance fund. "It is questionable if this would be needed in normal times," Mr. Gallagher said. "True, the reinsurance market is being somewhat strained at present, but a suggestion such as has been made for a \$1 billion reinsurance company seems rather fantastic. There is not sufficient business for such a company to exist."

As to the probable future trend of premium income, he said it is altogether a matter of guesswork, but personally he feels that the acceleration of increase is going to slow down materially. Premium income will still be high, but it will level off. The largest part of the appreciation of existing property as a result of inflation probably has been cared for already. New construction will be offset to an extent by gradual reduction of the peak values of older structures.

How Agents Are Affected

Mr. Gallagher questioned whether the market shortage situation is quite as serious from the agents' standpoint as many have contended. Agents have found that a few big risks have been difficult to place. They may have experienced difficulty in disposing of all their motor vehicle business. He expressed the opinion that most compa-

nies are accepting motor vehicle business in some proportion to the total writings of an agency, say one-third motor vehicle business and the remainder diversified. Actually, motor vehicle business constitutes about 17% of the fire companies' business.

"If your business is diversified, if you have good distribution, you have probably experienced no difficulty in handling your motor vehicle volume. If, however, you are top-heavy on a particular class, you will inevitably have tough sledding when that class of business turns sour. That is true of companies as well as of agencies. Diversification is most important."

He noted in connection with restricted underwriting that many companies have utilized the situation to accomplish a sort of housecleaning. They are withdrawing from cities and even states which have proved unprofitable. Agencies which have been, in a sense, problem children, where commission cost is

high or where the type of business or selection have left much to be desired, are finding an exodus of companies from their offices. He said this is one of those eras when the careful and conscientious agent is finding that his loyalty is paying dividends.

Mr. Gallagher suggested that this might well be a good time for agents to allocate their capacity to clients who are most deserving of it. "The insured who has invariably been slow-paying, who has shown no interest or cooperation in making his property reasonably safe from fire, might not prove a serious loss to an agency if he did decide to look elsewhere for coverage. There are always some who do not deserve insurance," he declared.

Baldwin Adjusting Co. has opened an office at San Bernardino, Cal., at 311 Central Building. Don F. Goss is manager. The firm will handle fire and allied lines.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Stubbs Heads Slate of K. C. Agents Assn.

The slate for the annual election of the Insurance Agents Assn. of Kansas City, Dec. 16, consists of: President, C. Stephen Stubbs III; vice-president, Otto H. Westerfeld; treasurer, Fred V. Griffith; executive committee, Sam E. Giles, Jr., Robert H. Oppenheimer and Frank G. Altman.

The executive committee has authorized change in the constitution for consideration Dec. 16, eliminating the provision that class 4 members must place all fire and allied lines through offices of association members. Also, a resolution dealing with the association's position on the present "commissions" situation will be introduced, and the executive committee has a code of ethics being drafted for submission and adoption. It is intended this code shall embrace ethics in all classes of the business.

Gray Gives Two Talks

Theodore M. Gray, executive secretary Ohio Assn. of Insurance Agents, addressed the Sidney association Dec. 9. All agents in Shelby county were invited. Julius C. Stein is the new president of the association, succeeding Lloyd H. Ruess, and Joseph Belser secretary.

Mr. Gray also will address the Canton association Thursday. Glen Stakey is president of the Canton association.

J. H. Merritt, educational secretary of the Ohio association, will represent the association at the awarding of C.P.C.U. certificates at Cleveland Thursday.

Presentation to Trout

ST. LOUIS — L. H. Trout, immediate past president of Missouri Assn. of Insurance Agents, was presented a pen and pencil set suitably inscribed, by 14 insurance men who had been closely associated with him in the work of the state association under his leadership. The presentation talk was made by Joseph Hickey, head of the Mercantile Insurance Agency, dean of St. Louis insurance men.

Top of Wisconsin Election

ASHLAND, WIS.—The Top of Wisconsin Assn. of Insurance Agents elected Harold Arnold president, to succeed Lyman Pool; Lawrence Lamal, vice-president; Clarence Wilds, Arnold agency, secretary.

Set Hearing on Gas Rules

LINCOLN, NEB.—A hearing on promulgation of regulation to insure safe handling of liquefied petroleum gases was to be held at the state capitol Dec. 10. E. C. Iverson, state fire marshal, announced.

Mutual Club Elects

The Mutual Insurance Club of Columbus has elected H. P. Young, Mutual Insurance Agency, president; O. C. Griffith, Farm Bureau, vice president, and John Martin, Motorists Mutual, secretary.

Arthur E. Shepard, who has been with the Rankin & Rankin agency, Newark, O., since 1938, has joined the Floyd L. Turner agency of Columbus. He is serving his third term as president of Newark Assn. of Life Underwriters.

After studying the New York standard fire policy with a view to substituting it for the Minnesota form, Duluth

Underwriters Assn. went on record as opposed to any change.

C. H. Tanker of Leedom, O'Connor & Noyes Co. and C. C. Winke, Winke agency, discussed "The Practical Application of the Ocean Marine Policy" before the Women's International Trade Club of Milwaukee.

The monthly meeting of the Insurance Women of Milwaukee was a Christmas party for members. Plans were made for the Christmas party the group will give for the women at the Milwaukee County Infirmary the afternoon before Christmas. The Harold Arnold agency, Ashland, Wis., has moved into its own building and is holding open house.

SOUTH

Okla. Agents' Regional

A new territory was tapped by Oklahoma Assn. of Insurance Agents through a regional meeting held at Hugo. The meeting proved a successful medium of contacting a number of agents for the first time with the result that between 18 and 20 new members were added to the roster.

Considerable interest was shown in the year-round program of fire prevention, which the organization hopes to establish throughout the state, as explained by George F. McFall, Oklahoma City, chairman conservation committee; also in a discussion of "Agency Management" by Sam H. Stewart, Tulsa general agent.

Ga. Fire Code Effective

ATLANTA—Georgia's new fire code went into effect Dec. 7, one year after the Winecoff Hotel fire here. The Georgia building and safety council adopted an approved building code, with minor changes designed to improve it, under which all public buildings and multiple occupancy residences will be supervised. Commissioner Cravey and J. Q. Davis, public safety commissioner, approved the measure, and W. P. Kennard, director of the building and safety council, along with Messrs. Cravey and Davis, will put the program in operation.

Plan Joint P. R. Meeting

Tennessee Fire Underwriters Assn. and Tennessee Assn. of Insurance Agents are jointly sponsoring a public relations meeting for east Tennessee at Jackson Jan. 14. The field men will provide the speaking program.

To Teach Public Safety

RALEIGH, N. C.—The North Carolina Assn. of Insurance Agents is raising a budget of \$6,900 to introduce a course in public safety in the North Carolina public school system.

Plans call for the introduction of the course in the 1948-49 school year, with the association providing textbooks and employing a state director for the first year. The state is expected to underwrite the program after that.

Clifford Payne & Garrison Co. Agency, Jacksonville, Fla., has changed its name to Payne-Garrison-Younger & Co. Leroy Sheftall, Jr., is a new member of the firm.

C. D. Harris, local agent, has been elected president of the Pendennis Club of Louisville. C. J. Cronan, Jr., also a local agent, was reelected secretary, a post he has held for some years.

The Insurance Women of Dallas held a luncheon meeting honoring the bosses. Mrs. Thelma E. Brannan, president, introduced guests, including Mrs. Merle Porter, president Texas Federation of Insurance Women; H. A. Gullidge, president Dallas Assn. of Insurance Agents; D. G. Foreman, executive secretary

Texas association; Barney Vanston, president of the Texas Assn. of Managing General Agents, and club officers. Col. Alvin M. Owsley of Dallas, former ambassador to Rumania, Denmark and Ireland, spoke on "In Freedom's Name."

Insurance Women's Club of Oklahoma City held a wiener roast Dec. 4. The Christmas party will be held Dec. 17.

EAST

Flather in Charge in D. C.

WASHINGTON—William Flather is in charge of the Washington office of Marsh & McLennan since transfer to New York of Vice-president Musco Garnett. With the conclusion of considerable business incident to the war period, the M. & M. office staff here has been cut down. Mr. Flather was formerly associated here with Mr. Garnett.

Auto Accidents Discussed

The rapid increase in motor vehicle accidents and their effect on liability insurance rates and other related factors were considered at a meeting of the Insurance Agents Club of Utica, N. Y. Andrew Trieber, vice-president, was chairman.

Another meeting is to be held soon for further discussion of the subject and possible action.

P. P. F. Bergen Co. Topic

At a dinner meeting of Bergen County Assn. of Insurance Agents at Teaneck, N. J., there was a round table discussion on "Personal Property Floater." President Alfred Sinn of the New Jersey association spoke briefly.

N. J. Federation Meet

The Insurance Federation of New Jersey will hold a luncheon meeting at Newark Dec. 17. The organization plans to be extremely active next year.

Essex Co. Dinner Jan. 26

The executive committee of Essex County Insurance Agents Assn. at a meeting at Newark made plans for a dinner-meeting Jan. 26 when plans for 1948 will be outlined.

CANADIAN

Will Continue P.P.F. in Western Canada

WINNIPEG, MAN.—While experience on the personal property floater policy in Canada has been decidedly unfavorable in recent years, western Canada has decided to have another go at it.

Western P.P.F. conference companies have put into effect a new flat-rated P.P.F. form. Policies are now being written with a minimum premium of \$60 unless the optional deductible clause of \$15 is taken. This would lower the premium to \$40.

R. J. White, president Insurance Agents Assn. of Winnipeg, has sent a letter to all agents outlining the reasons for the drastic changes. He says the agents' committees "realize it is desirable that this type of insurance, which is so popular with the public, should remain available and have agreed to support the companies in making their program effective and establishing the P.P.F. on a sound basis. It would be a retrograde step if it were withdrawn by the insurers."

Ontario Groups Elect

D. E. Rispin has been elected president of Chatham (Ont.) Fire & Casualty Insurance Agents Assn. Vice-

president is R. E. Smalley; secretary, R. Brisco.

T. J. Lally has been elected president of the Cornwall association. L. B. Bergeron is vice-president and M. J. McRae secretary.

New C. & R. Toronto Setup

Corroon & Reynolds has appointed William C. McAuslan manager at Toronto. Mr. McAuslan, who has been with the group 16 years, succeeds C. M. Henderson, who has resigned to enter the agency business.

Boyd Winnipeg Manager

Commercial Union has appointed R. G. Boyd manager at Winnipeg. Formerly he was inspector at Vancouver.

Canadian Fire and Canadian Indemnity have opened a service office at Edmonton with W. E. Bragg as manager.

COAST

North America Move Being Watched

SAN FRANCISCO—North America group has purchased about 40 acres at San Jose, Cal., 50 miles south of San Francisco, and will erect a building to house its Pacific Coast department. Frank Owen, coast manager, stated plans are still in the drafting room and the company will maintain business offices in its present building in San Francisco.

Reports that other companies—like a number of industrial plants—were contemplating moving coast department headquarters down the San Francisco peninsula were checked. One report had it that the Fireman's Fund was planning or discussing such a move but E. V. Mills, controller, said that while some conversation may "come up" in the future the matter had not been discussed in any way.

Congestion a Factor

Other company managers gave similar answers, some saying North America was wise and that others might consider such action. San Francisco's financial and insurance district is becoming more and more congested, so it is almost impossible to obtain additional space at reasonable costs; traffic is so heavy that parking is out of the question. Buildings in the district cannot go down because most of this section is on made ground, the only other recourse would be "up in the air." Down the peninsula it would be possible to obtain greatly enlarged floor space at less cost, and solve the transportation problem. Many employees reside in the suburbs, including San Mateo, Burlingame, Palo Alto—all south. Others reside across the bay with the two great bridges becoming more and more crowded and hazardous.

Two Bridges Projected

At present the city and state authorities plan two more transbay bridges—one parallel to the present bridge and another at the south end of the city. These would cost more than \$100 million each. At present there is a squabble between San Franciscans, state highway authorities and Oaklanders—the latter demanding erection of the parallel bridge first while San Franciscans contend that congestion at the terminals would only make the problem more severe.

Another element is taxes. At present the cost of the great amount of space

used for such facilities as files and other records, is far beyond logic, company executives say.

Wash. Agents Schedule Convention Sept. 15-17

Washington Assn. of Insurance Agents will hold its 1948 convention at Bellingham, the tentative dates being Sept. 15-17. The early decision as to time and place was made by the executive committee and the meeting will be held a week prior to that of the Oregon convention which has been tentatively scheduled for Sept. 23-24 at Gearhart. This will enable the two associations to attract insurance speakers from distant points.

Hotel Leopold will be convention headquarters and facilities of the Bellingham Hotel will be available to delegates.

Shift F.U.A.P. Classes

SAN FRANCISCO—Starting in January all classes conducted by Fire Underwriters Assn. of the Pacific will be held in the new four-story building taken over by the extension division of the University of California at 140 Montgomery street.

The assembly room of the Pacific Board, which had been used for years, may be given up in the readjustment of office space by the board and Pacific Fire Rating Bureau. For two years, however, the limited space had been inadequate for the many new classes and students, requiring the use of downtown facilities outside the building.

Two Coast Office Moves

SAN FRANCISCO—Coast offices of Interstate Underwriters Board, which have been adjacent to headquarters of the Pacific Board on the ninth floor of the Merchants Exchange, have been moved to suite 503 in the same building. It is expected the Pacific Board also will move to the fifth floor as soon as alterations are completed. The new Pacific Fire Rating Bureau will continue to occupy most of the floor which the board, when still operating as a rate making body, has occupied for many years.

Start Los Angeles Course

LOS ANGELES—The Insurance Assn. of Los Angeles will start its next course of insurance instruction Jan. 14 with Marwin Jonas, special agent Glens Falls Indemnity, who is conducting insurance classes at University of Southern California, as instructor. He will lecture on fidelity and surety bonds, plate glass and burglary insurance.

Claude Salter, C. Q. Brady & Co., will lecture on boiler and machinery lines. The course will run 13 weeks.

Buy Seattle Agency

Chastek & Wheelock agency of Seattle has been purchased by J. J. O'Brien from its two former owners, Chester J. Chastek, who now is stationed in Washington with the navy, and Kenneth H. Wheelock, who is a partner in the McDougal & Wheelock agency of Vashon. For several years Mr. O'Brien has been operating as an insurance broker at Seattle. Previously, he held several company positions in Seattle.

King County Annual Jan. 13

King County Insurance Assn. will hold its annual meeting and banquet Jan. 13 at Seattle. A cocktail hour will precede the banquet.

Liston Enters Agency End

J. Glen Liston is resigning effective Dec. 31 as manager of the casualty department of Frazier & Co., Seattle general agent, to enter the local agency business. He entered insurance with Hartford Accident at San Francisco, later joining American Surety as a field-

man at Seattle. After 12 years in this post, he entered the army and joined Frazier & Co. upon release from service four years ago.

Hardin Engineer at Seattle

David L. Hardin, formerly with Washington Surveying & Rating Bureau, has been appointed engineer attached to the staff of the Seattle service office of America Fore. He will be associated with John D. McAnally, who recently was promoted from special agent to state agent. America Fore is expanding its Seattle office.

Norgard Speaks at Tacoma

F. W. Norgard of Yakima, state national director Washington Assn. of Insurance Agents, spoke Wednesday at a dinner meeting of the Pierce County Assn. of Insurance Agents at Tacoma. He reported on the National association convention at Atlantic City. Other officers of the state association participated, including President H. E. Carr, Bellingham and H. H. Martin, Longview, executive committee chairman.

MOTOR

End Oregon Auto Stamping

Stamping of direct damage automobile dailies is being discontinued by Oregon Insurance Rating Bureau.

This development resulted from application of National Automobile Underwriters Assn. as a rating organization under the amended Oregon insurance code. N.A.U.A. applied under the casualty section of the code, which, unlike the fire section, does not require stamping of policies. It is expected that by the end of December all withdrawals will have been made and the service discontinued.

Henceforth, fleet rates, formerly released by the Oregon Bureau, will be promulgated in the San Francisco office of N.A.U.A.

Hartford Club Elects

New officers of the Automobile Underwriters Club of Hartford are: President, Sydney Sanderson, Scottish Union; vice-president, Leon B. Humphrey, London & Lancashire; secretary, David F. Condon, Security of New Haven; treasurer, Benjamin I. Tennyson, Aetna Fire.

Eye Attempted Theft Losses

The Automobile Claims Assn. of New York City is combining its business meeting and Christmas luncheon Dec. 12. One of the subjects being discussed is attempted theft losses, due to glass breakage, that are being reported under the fire and theft coverage of the automobile policy.

WDC Liquidation Awaits Insurance Account Audits

WASHINGTON — Distribution of some \$20 million among fire and casualty companies that participated in the war damage program is delayed by the necessity of auditing accounts at some 1,400 insurance offices throughout the country, a spokesman for War Damage Corporation reports. This distribution, plus disposition of claim suits against WDC, will end in the agency's liquidation.

Dismissed by trial courts have been Matlaw Corp. vs. WDC and Knowles vs. WDC. In the first the seventh circuit court affirmed the lower court's decision, but application for rehearing was entered pending petition to the Supreme Court for writ of certiorari. In the Knowles case the district court here granted a motion to dismiss "with prejudice," but the case has been appealed to the U. S. court of appeals for the District of Columbia.

A third case, Schmidt & Ault Paper Co. vs. WDC, which involves the question whether a \$6,000 loss from fire in

a warehouse was due to enemy action, is being handled by the district attorney's office here. This case is based on the claim that baled waste paper from Fort Benning, Ga., contained phosphorus incendiaries ignited from contact with the air when bales were opened at the warehouse. The theory is that prisoners of war at Benning put incendiaries in the baling machine as a measure of sabotage.

Illini Insurance Society First Dinner to Be Dec. 17

Insurance students and alumni of University of Illinois will meet at University Y.M.C.A. Dec. 17, for the inaugural dinner of the Illini Insurance Society. It is planned to have on hand representatives of all the principal insurance organizations in the state. The society's aims are to promote better understanding and practical insurance problems, to bridge the gap between industry and the classroom, and to aid in the continuation of insurance education after graduation. Robert Haeger is president of the society.

Speakers will include Dr. Howard Bowen, dean of the university's school of commerce, and Kenney Williamson,

general agent of Massachusetts Mutual Life in Peoria and a trustee of the university.

To Go After Higher Wages

Coordination of a drive to raise white collar salaries with the just-announced CIO wage drive in basic industries will be the major order of business at the convention of United Office & Professional Workers of America, CIO, March 1-5, at the Hotel St. George, Brooklyn. Delegates representing 70,000 members in the insurance, technical and engineering, social service, financial, motion picture, radio, publishing, advertising and commercial office fields will attend.

The convention will deal with "renewal and improvement of major contracts, pay increases, expanded organization, political action in the 1948 elections, the defense of civil liberties and the fight for peace."

John C. Stott, of Norwich, N. Y., vice-president of N.A.I.A., was met at Miami Beach by Mrs. Stott, who had been at Phoenix, Ariz., two months. She has conquered a siege of asthma and Mr. and Mrs. Stott went on back from Florida to Norwich together.

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H. L. Newman, Vice-Pres.
Louis J. Lapper, Sec.-Treas.
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MISSOURI

Lawton-Byrne-Bruner
INSURANCE
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OHIO

Walter P. Dolle & Co.
"Insures Anything Insurable"
Dixie Terminal Building
CINCINNATI
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Chris Schroeder & Son, Inc.
210 E. Michigan St., MILWAUKEE
Engineering Service — All Lines
The largest insurance agency in the State of Wisconsin

N.A.L.C. Fla. Meeting Nears Record for Attendance

(CONTINUED FROM PAGE 28)

and industry of much work.

The committee voted for a motion in favor of holding rating forums in the various zones.

Sullivan of Washington spoke in favor of eliminating or modifying the term rule. He asked that the question be referred to a subcommittee which would confer with an industry group.

Dineen said he questions whether this question is properly before the committee. It is not up to the commissioners to originate a form of coverage for the companies. This is something within the province of the companies.

Robert D. Williams of the Washington department said the term rule might be attacked in rate regulation as being discriminatory.

Floridans Highly Pleased at Maimi Beach Meeting

(CONTINUED FROM PAGE 29)

Independent adjusters were on the scene pronto, but they were overambitious and bit off more than they could chew, and while they started a lot of adjustments, they are slow in putting through the final papers.

The situation is complicated by the fact that in Florida all windstorm insurance must be written with coinsurance, 50% being the minimum. This applies to dwellings as well as other properties. Values have gone up so rapidly that most insurance is out of date and the agents in the state in the past have been very free in expressing opinions as to values. The National Board has been running spot checks on completed adjustments and has turned up faulty handling, particularly on account of failure to exact the coinsurance penalty.

Allen Elected President of Birmingham Agents

Birmingham Assn. of Insurance Agents at the annual meeting Monday elected these officers: President, Wilbur K. Allen, Cobbs-Allen & Hall; vice-president, David W. Hamilton, Hamilton agency; secretary-treasurer, Lander Seiver, Seivers agency; chairman, Robert L. Gregory, Jr., Gregory agency; grievance chairman, John W. Wood, Wood agency; executive committee, three year term, William Housel, Jr., Simons agency, and Tom A. Jacobs, Jemison-Seibels.

An amendment to the constitution was adopted permitting increase in dues and authority to make assessments at special as well as regular meetings.

New officers will be installed at the annual banquet in January.

Mr. Allen, former vice-president, is legislative chairman of the Alabama association.

Boost North Star Capital

North Star Reinsurance has approved an increase in capital by authorizing 30,000 shares of \$4 dividend non-cumulative preferred stock of \$10 par value, which General Reinsurance has agreed to purchase, subject to New York insurance department approval.

Knaps of Chicago Gather in Annual Turkey Feast

The Knaps, organization of 25 Chicago insurance men who some years ago were drawn together by their common interest in the finer arts of the kitchen, held its annual turkey feast at Lake Shore Club. At usual there was a fellowship hour with refreshments and games preceding the dinner.

Ralph Dixon, Fire Assn., is commander, the top post, and Earl Gibbs, Boston and Old Colony, vice-commander. The latter was unable to attend. Arthur O. Andersen, Fireman's Fund,

is lieutenant, and Earl A. Miller, Providence Washington, lieutenant (i.g.)

Mr. Gibbs was elected the new commander; Mr. Andersen, lieutenant-commander; Mr. Miller, lieutenant, and A. J. Smith, Crum & Forster, lieutenant (i.g.)

Sullivan Promoted, Mearns Sunshine Insurance Manager

W. A. Sullivan, insurance manager of Sunshine Biscuits has been named to the newly-created position of controller.



W. A. SULLIVAN

Mr. Sullivan has been with Sunshine for almost 20 years, and at New York since 1944 as manager of the general insurance department.

He is succeeded as manager of general insurance by George A. Mearns, who has had a wide background in insurance work and has assisted Mr. Sullivan as director of insurance.

Mr. Sullivan before 1944 was at Kansas City as insurance manager of Loose-Wiles Biscuit Co. He attended Kansas City School of Law and is affiliated with Insurance Buyers Assn., Associated Industries of Missouri and American Management Assn.

Mr. Mearns is an engineering graduate of Pratt Institute and is a member of American Society of Safety Engineers and Risk Research Institute.

Loyalty Group in Pacific Rating Bureau: No Deviations

SAN FRANCISCO — The Loyalty group has a become subscriber to Pacific Fire Rating Bureau.

"We will operate on full tariff, with no plans for deviations now or in the near future," Fred W. Sullivan, vice-president of the group, said.

Two New Claim Offices

Crawford & Co., Atlanta adjusters, have opened an office at West Palm Beach, Fla., under the management of T. P. Price, and one at Birmingham under A. H. Smith. Mr. Smith has been in the claim business seven years, having been an adjuster and supervisor with the Liberty-United group before joining Crawford & Co. early in 1946. Since that time he has served as manager at Macon, Ga. Mr. Price received his early training with the same group, joining the Crawford firm in 1946.

Article on Airline Insurance

William E. Blain, executive underwriter of Aero Insurance Underwriters, is the author of the lead article in the Dec. 15 issue of "American Aviation," prominent aviation magazine. Entitled "Aviation Insurance Losses Heavy in 1947," the story lists the principal airline losses for this year, cites current underwriting problems, and makes recommendations for accident prevention.

Hall and Graham Change Places

Reed M. Chambers, president of United States Aviation Underwriters, announces transfer of W. R. Hall, manager of the western department in Chicago, to New York as manager of the eastern department at 80 John Street. James R. Graham, who has been eastern department manager, will assume the duties of western department manager, with headquarters in Chicago, a position which he held for some years prior to the war. The changes become effective Jan. 1.

Mr. Graham, a pilot overseas in the first world war and later a commercial pilot, has been with U. S. Aviation about 10 years and previously was with Aero Underwriters. He managed the office at Chicago for a number of years, being assigned to New York in the last war where he opened and managed the eastern department as well as supervising the western department.

Mr. Hall, who before the war was with Hartford Accident in Philadelphia for eight years, enlisted in the R.C.A.F. and became a flight lieutenant. He spent much time in a submarine patrol and after discharge in 1944 was with Fairchild Aircraft Co. before joining U. S. Aviation. In September, 1945, he was assigned to Chicago as western manager.

Aetna Companies' Dividends

Dividends voted by the Aetna Life companies are: Aetna Life, 40c a share plus an extra dividend of 50c; Aetna Casualty & Surety, 62½c plus an extra of 50c; Automobile, 25c a share, all payable Jan. 2 to stockholders of record Dec. 5.

Honor Veteran Employees

Seventeen veteran employees of Merchants Mutual Casualty of Buffalo were honored at the annual employees dinner. More than 275 attended.

C. W. Brown, president, presented service emblems and checks to the honorees, who have been with the company from 15 to 25 years.

Pastor Columbus Speaker

Rev. B. L. DuVal, pastor of Trinity Methodist Church, Columbus, addressed the Columbus Assn. of Accident & Health Underwriters Monday on "What Does Christmas Mean to the Insurance Man?"

Increase N. Y. Taxi Rates

The New York department has authorized some increases in taxicab rates for statutory bodily injury and property damage coverage. In territories 1, 2 and 3, the metropolitan district, the fleet taxicab takes a \$75 rate, up \$15 (fleets are subject to credit rating); the "any driver" cab is \$47, up \$4, and the owner driver cab remains at \$25. There were some slight changes in the rates for cabs in Ossining and Middletown, in upstate New York.

Set 1948 Claim Meeting

Following a meeting of the executive committee of International Claim Assn., President Walter E. Trout, Penn Mutual Life, announced that the 1948 annual meeting will be held at Galen Hall, Wernersville, Pa., Sept. 20-22.

Committee Aids Ohio Marshal

The advisory committee to the Ohio fire marshal met in Columbus this week and chose W. P. Huntington, Mill Mutuals, as chairman; Philip L. Johnson, American of Newark, vice-president, and Victor Keys, secretary. The council has launched a study of the duties and salaries of the division. The legislature the past week granted funds for the operation of several new bureaus in the division.

New York Brokers Concerned on Commission Reduction

NEW YORK—The General Brokers Assn. of New York at its annual meeting Dec. 15 in the Hotel Astor, will discuss the threat of commission reductions. The association has engaged counsel to protect the interests of its members. Brokers regard the situation as very serious.

The following nominees will be voted on: President, George F. Sullivan; vice-presidents, Andrew H. Boardman, Samuel Cherman, and R. M. Ferguson, Jr.; secretary-treasurer, Leonard Jacobs.

Hegg Going with Allstate

Earl Hegg, for 18 years with Hardware Mutuals' home office at Stevens Point and for the last six months in sales work in the northwest department at Minneapolis, has resigned. He is joining Allstate in Chicago as manuals director in the home office operating department.

Transfer Coleman to Va.

STEVENS POINT, WIS.—H. W. Coleman, advertising procedures manager at the home office of Hardware Mutuals here, has been transferred to the sales department with headquarters in Norfolk, Va.

Newcomb Enters Agency

Leonard Newcomb has resigned as manager of Accident & Casualty at San Francisco to join the Roy O. Bronson agency at Sacramento, Cal. After Jan. 1 the firm will be Bronson & Newcomb.

Bureau to Meet Oct. 11-13

Bureau of Accident & Health Underwriters will hold its 1948 annual meeting Oct. 11-13 at the Cavalier Hotel, Virginia Beach, Va.

Mass. Protective Kan. Meet

Kansas agents of Massachusetts Protective under General Agent Glen Hamilton, Wichita, held an agency meeting at Wichita. A. J. Wilsdown of the home office attended.

Set Conference Mid-Year

The mid-year meeting of Health & Accident Underwriters Conference has been set for Feb. 3-5 at Chicago.

New Air Accident Policy

U. S. Aviation Underwriters will issue a new aviation accident policy Jan. 1. Agents will be allowed to bind a risk effective on the date postmarked on the application. The basic application has a receipt and record printed upon it. When detached from the rest of the form the application folds into a postage paid envelope addressed to the home office.

Show Pond Tricks with Fire

W. B. Larkin, engineer of Missouri Inspection Bureau, and Walter Bergman, director St. Louis fire department training school, joined in a fire prevention demonstration entitled "Tricks With Fire" at a luncheon meeting of St. Louis Blue Goose.

The pond's annual informal party is to be held the evening of Feb. 7 with dinner, bridge and dancing.

Conn. General Rejoins Bureau

Connecticut General Life has been elected to membership in the Bureau of Accident & Health Underwriters. It was a charter member but resigned in 1943.

San Antonio Claim Men Elect

The San Antonio Claim Men's Assn. has elected L. C. Picnot, Picnot Claims Service, president; J. O. Dixon, Texas Employers and Employers Casualty, first vice-president; George Henry, Chapman Claims Service, second vice-president, and Willard Heath, Trinity Universal, secretary.

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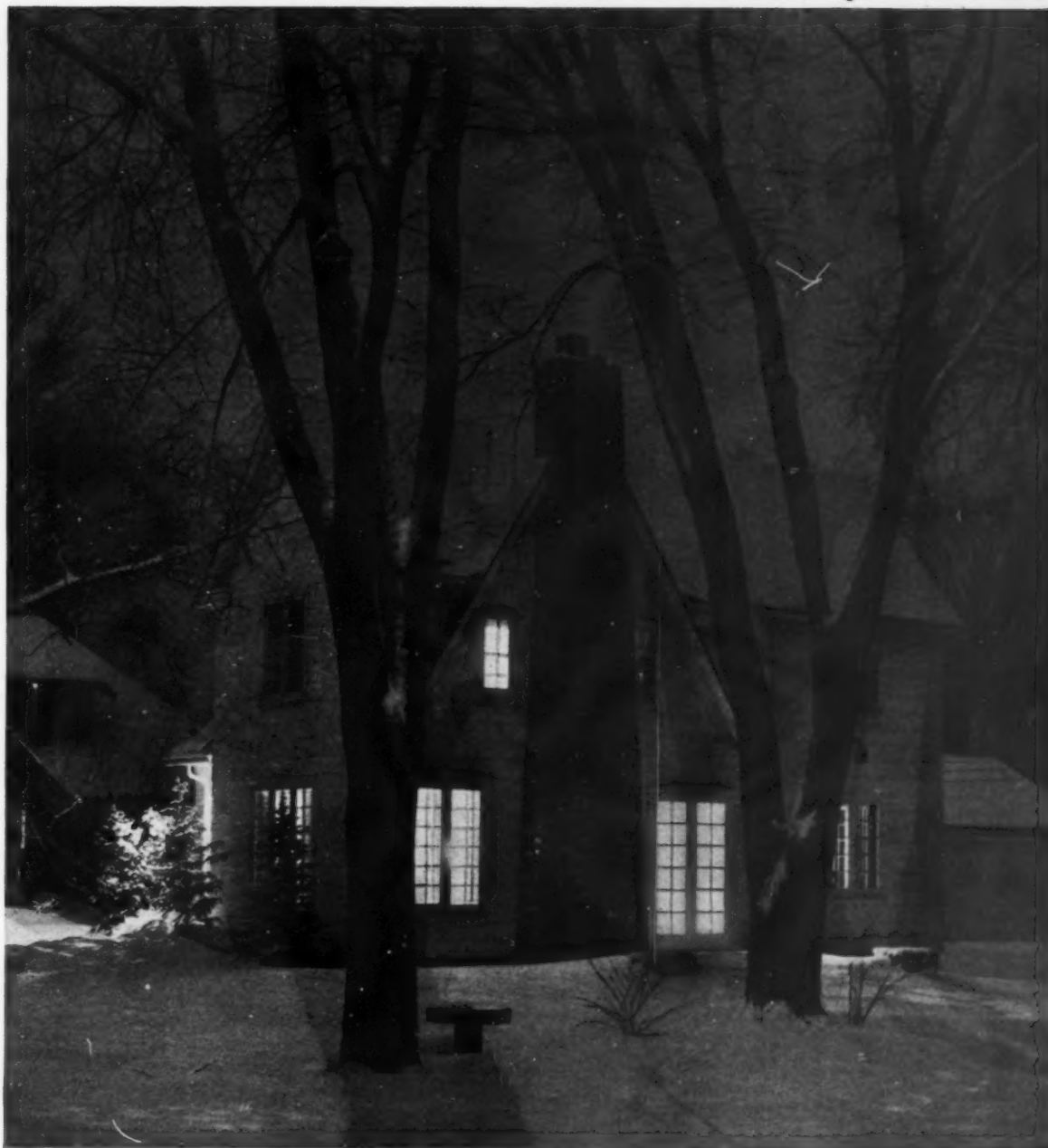
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Your Piece of Peace

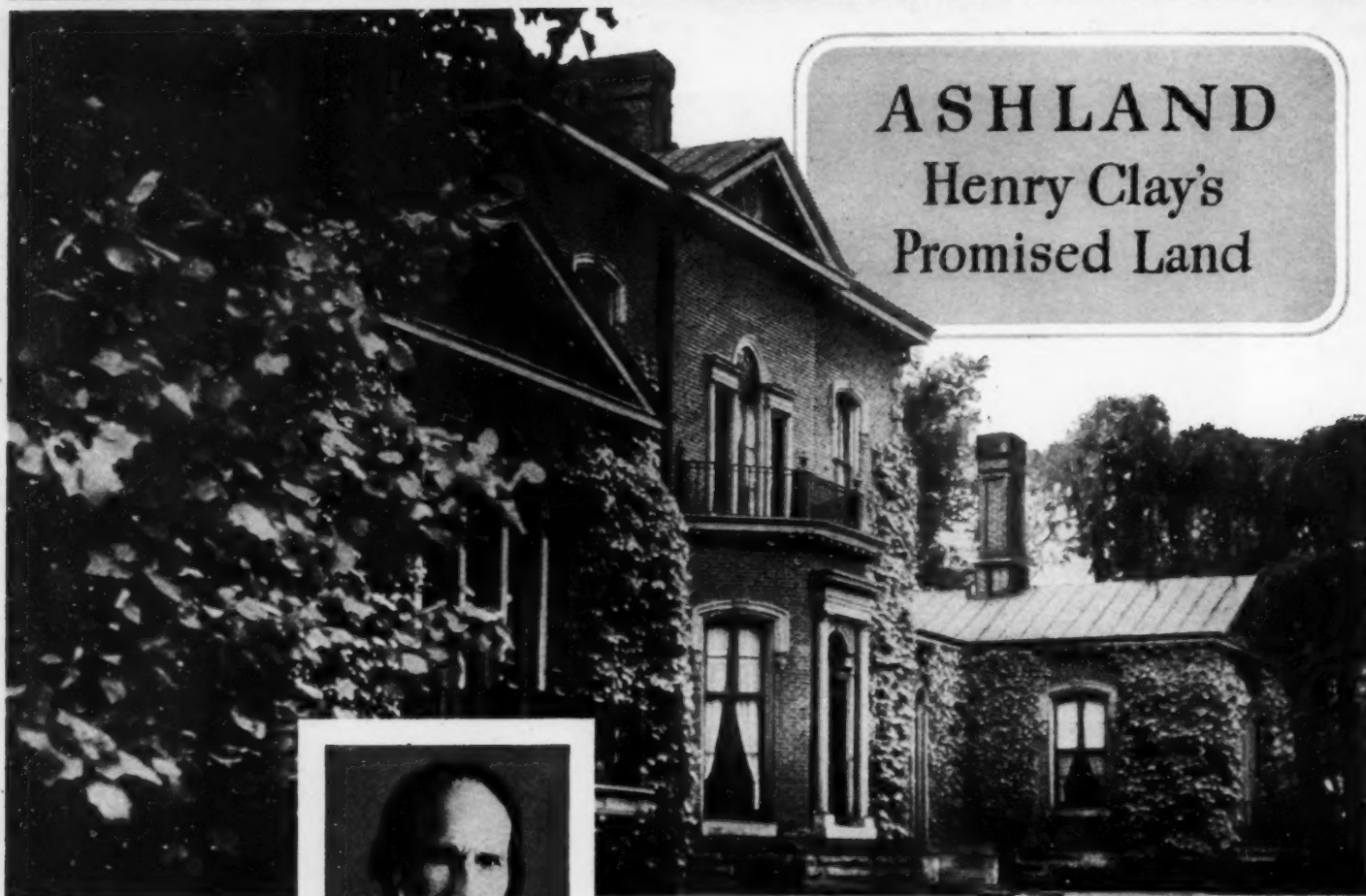
It is Christmas again. We hear laughter and song. There is "Peace on earth; good will towards men" . . . and a piece of that peace is yours.

Somewhere, there is a home that is still a home because you have done your job. Somewhere, there's a child who's a happy child because of your good work.

Through you, homes blackened by fire have come to light again. Through you, a serious accident has lost its financial bite. Through you, your friends in your community can live with far less fear. So may we wish you the joy of Christmas. A piece of its peace is yours.

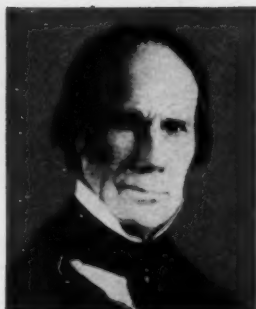
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ASHLAND

Henry Clay's Promised Land



From an old daguerreotype

Ashland stirs a memory of days when Clay walked this ground he loved

"I AM IN ONE respect better off than Moses," wrote Henry Clay to a friend. "He died without reaching the Promised Land. I occupy as good a farm as any he would have found, had he reached it, and Ashland has been acquired, not by hereditary descent, but by my own labor." Yet though Clay attained his Promised Land, his long career as Congressman, Secretary of State and Senator prevented him from dwelling there as much as he wished. Each time he decided to retire, popular demand and his own zeal forced him to re-enter public life.

Clay bought Ashland, near Lexington, Kentucky, in 1806 and built the main house a few years later, adding to the estate at intervals until it included 600 fertile acres. An excellent farmer, he took great interest

in the management of the place and in raising fine horses and breeding cattle. In his absence much of the responsibility was shouldered by his wife, the former Lucretia Hart, and, as Clay declared, "how diligently, how nobly she has performed the duties thus devolved upon her can be known to no mortal save myself alone."

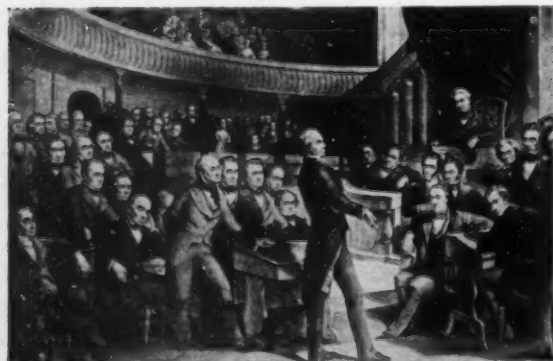
Henry Clay achieved his fame, just as he acquired Ashland, through his own efforts. Lacking much formal education, he nevertheless rapidly made his reputation as a brilliant orator and lawyer. People used to say that no one whom Clay defended was ever hanged. Whenever he spoke, huge crowds gathered, attracted by his superb voice and compelling personality. However, his renouncing a lucrative law practice for public service prevented him from becoming wealthy. In fact, at one time it seemed that he would have to sell Ashland until anonymous friends throughout the country raised \$50,000 with which they settled his obligations.

Between 1824 and 1848 Clay was a strong presidential candidate in nearly every campaign but in spite of his popularity and the fact that for a generation he was the acknowledged

leader of his party, the nation never rewarded him with its highest office. Although he is quoted as saying, "I would rather be right than President," his failure to attain this position was a bitter disappointment. His private life was further saddened by family tragedies. Of eleven children, all six daughters died before their father, one son was killed in the Mexican War and another became insane after an accident.

After Clay's death the house at Ashland was torn down, but the present dwelling, reconstructed by his son on the same plan and with some of the original materials preserves the same general aspect. Within are much of Clay's furniture and many mementos of his career. Though the estate has dwindled in size, it still retains the peaceful charm which made it a place of solace to the famous owner.

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Henry Clay addressing the Senators in 1850

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